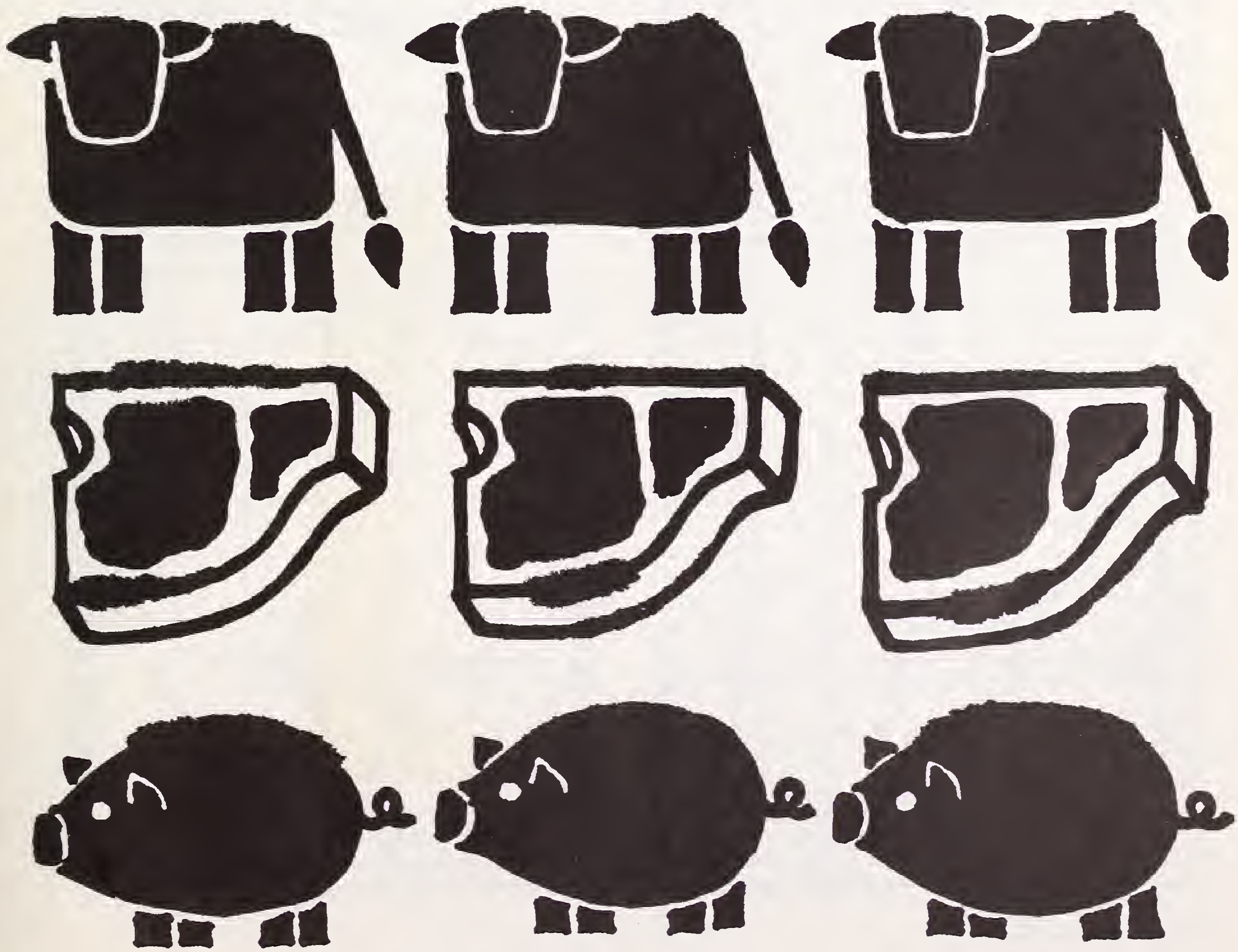
Livestock and Meat Situation

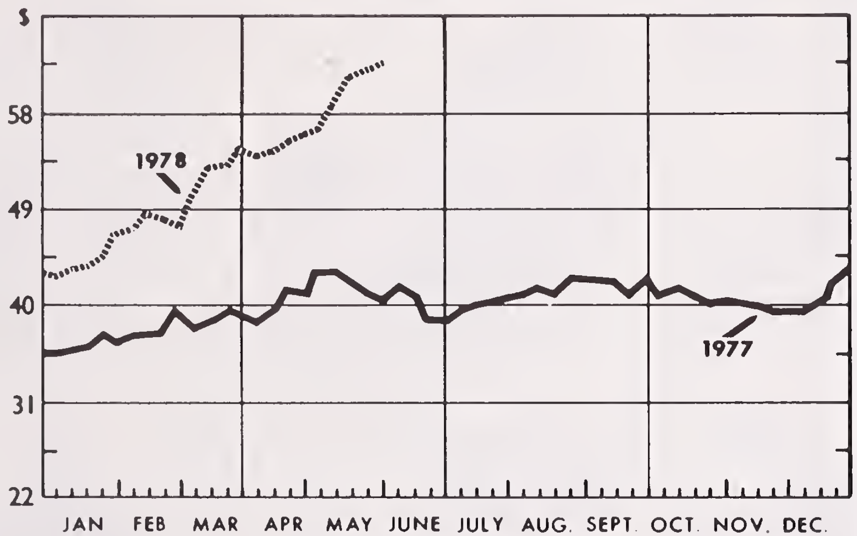
Economics, Statistics, and Cooperatives Service
U.S. Department of Agriculture

LMS-221
June 1978

Approved by the World Food and Agricultural Outlook and Situation Board



AVE. PRICE CHOICE FEEDER STEERS 600—700# — KANSAS CITY



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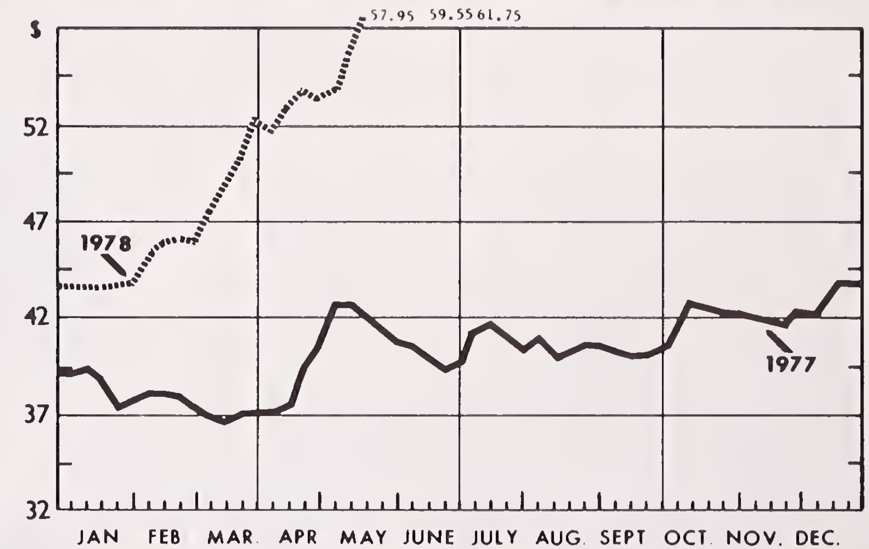
AVE PRICE CHOICE SLAUGHTER STEERS-OMAHA 1100—1300#



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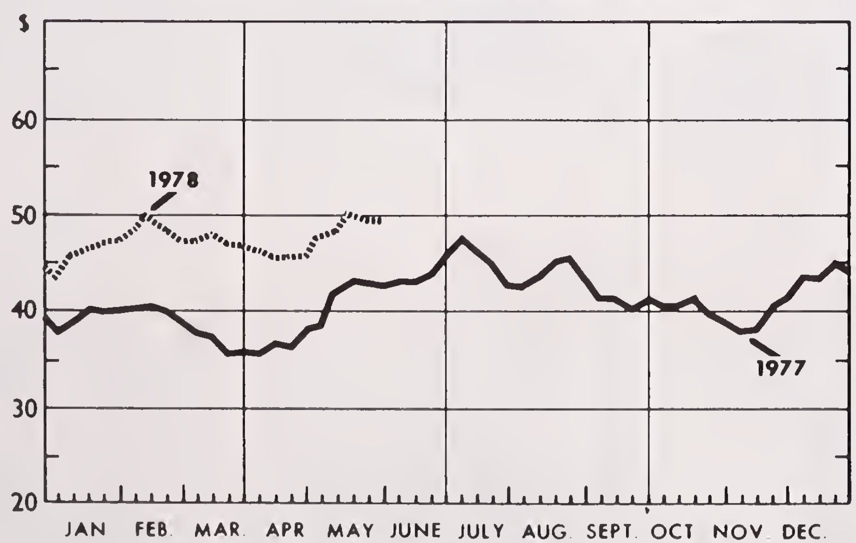
AVERAGE PRICE BARROWS & GILT*



*SEVEN MARKETS COMBINED

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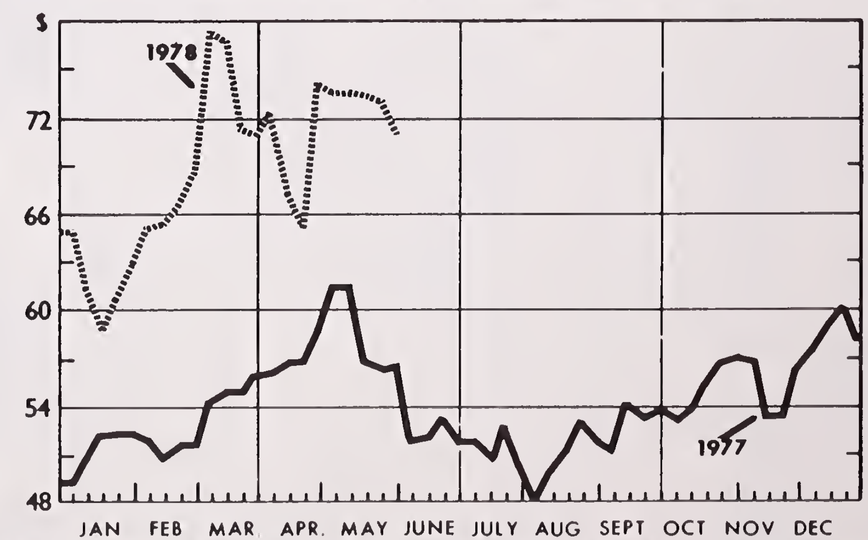
AVE. PRICE CHOICE SLAUGHTER LAMBS-SAN ANGELO



SHORN SPRING LAMBS QUOTED MARCH TO OCTOBER, WOOLED LAMBS OCTOBER TO MARCH.

X NO SALES CONFIRMED

U.S. DEPARTMENT OF AGRICULTURE — Livestock, Poultry, Groin & Seed Division — AMS

LIVESTOCK AND MEAT SITUATION

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June 6, 1978

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Washington, D.C. 20250

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The *Livestock and Meat Situation* is published in February, April, June, August, October and December.

SUMMARY

Supported by a higher level of employment and an 11-percent year-to-year rise in disposable personal income, the demand for meat was strong during the first quarter.

First quarter red meat output was 3 percent below a year earlier. Poultry production, however, increased, resulting in only a 1-percent decline in total red meat and poultry output. As a result, producer prices for livestock and poultry rose sharply and averaged well above a year earlier. Retail prices for red meats and poultry also advanced substantially. However, retail price rises have not fully reflected the rise in producer prices, particularly for beef.

Rising consumer incomes are expected to keep the demand for meat strong through the remainder of the year. The strong demand and smaller supplies of red meat suggest a continuing rise in prices, at least through the summer. Some weakness in prices could occur this fall if supplies expand from the summer as expected.

April-June supplies of red meats and poultry are expected to be slightly above those of a year earlier. Red meat supplies will probably be down about 1 percent as a result of a slight second quarter drop in beef production.

During the last half of the year, beef production may be down 6 to 8 percent from last year. Pork production, however, may be up 3 percent or more, resulting in a decline of 3 to 5 percent in red meat production. Increases of 7 to 9 percent in poultry production may keep combined red meat and poultry production about 1 percent below last year's July-December level.

For the year, the composite retail price of Choice grade beef may average about a fifth above the 1977 level of $1.38 per pound. Prices for Choice 900-1,100 pound steers at Omaha, however, may rise about a third above last year's level of $40 per 100 pounds.

Retail pork prices may rise 14 to 16 percent above last year's average of $1.25 per pound. Barrow and gilt prices at seven markets are expected to average in the high $40's, 15 to 20 percent above the 1977 average.

The recent increase in livestock and meat prices, particularly those for cattle and beef, have attrac-

ted much attention. But during 1976 and 1977, live cattle and retail beef prices remained fairly stable and relatively low as cattlemen liquidated their herds and consumers benefited from large beef supplies. These 2 years were the culmination of about 4 years of large financial losses for beef producers.

Beef production is now declining as a result of the reduced inventory of cattle. And prices above those of the 1976-77 period for more than just a few months will be required to end the herd selloff and get rebuilding underway. Even with the higher prices since the first of this year, liquidation continues—as the level of cow slaughter remains high and a record large number of heifers are in feedlots. However, current cattle prices are restoring profits to beef producers and should result in a rebuilding of the beef cattle herd.

Beef is a major component of food expenditures and rising beef prices have added to the general concern over inflation. Meat import policies are under review by the Administration as a possibility for tempering some of the rise in meat prices.

On June 8, 1978, the Administration announced that the voluntary restraint program for meat imports would be renegotiated to permit an additional 200 million pounds (product weight) of meat to be imported in 1978. This would be equivalent to about 1 percent of this year's expected total beef production, a little over 1 pound per person (carcass weight equivalent). This additional 200 million pounds of meat is expected to have a minor impact on both retail and cattle prices. The major impact, however, will be on hamburger and cow prices.

SITUATION AND OUTLOOK

Commercial Meat Production and Livestock Prices

	1976	1977				1978			
	IV	I	II	III	IV	I	II[1]	III[1]	IV[1]
Production:									
Beef (mil. lb.)	6,412	6,287	6,158	6,321	6,220	6,104	6,075	5,900	5,800
% Δ year earlier	+2	-3	0	-4	-3	-3	-1	-7	-7
Pork (mil. lb.)	3,669	3,294	3,184	3,073	3,500	3,242	3,225	3,150	3,650
% Δ year earlier	+27	+11	+12	+2	-5	-2	+1	+3	+4
Lamb and Mutton (mil. lb.)	92	90	86	84	81	75	80	84	78
% Δ year earlier	-6	-5	+5	-9	-12	-17	-7	0	-4
Veal (mil. lb.)	224	201	187	205	201	178	140	140	145
% Δ year earlier	-9	-2	+5	0	-10	-11	-25	-32	-28
Total Red Meat (mil. lb.)	10,397	9,872	9,615	9,683	10,002	9,599	9,520	9,274	9,673
% Δ year earlier	+9	+1	+4	-2	-4	-3	-1	-4	-3
Broilers[2] (mil. lb.)	2,186	2,156	2,399	2,424	2,248	2,327	2,545	2,620	2,475
% Δ year earlier	+10	+2	+4	+2	+3	+8	+6	+8	+10
Turkeys[2] (mil. lb.)	664	210	365	672	645	228	400	705	670
% Δ year earlier	+5	+1	-1	-5	-3	+9	+10	+5	+4
Total Red Meat & Poultry (mil. lb.)	13,247	12,238	12,379	12,779	12,895	12,154	12,465	12,599	12,818
% Δ year earlier	+9	+1	+4	-2	-3	-1	+1	-1	-1
Prices:									
Choice steers, Omaha 900-1100 lb. $/cwt.	39.00	37.88	40.77	40.47	42.42	45.77	54-56	55-57	54-56
Barrows & gilts, 7 mkts. $/cwt.	34.25	39.08	40.87	43.85	41.38	47.44	47-49	50-52	46-48
Slaughter lambs, Choice San Angelo $/cwt.	45.81	52.98	55.76	51.88	56.50	67.67	70-72	64-66	66-68
Broilers, 9-city avg.[3] Cents/lb.	35.5	40.9	42.3	42.4	37.6	41.8	45-47	47-49	43-45
Turkeys, New York[4] Cents/lb.	49.0	50.2	51.5	53.1	61.3	60.2	59-61	58-60	58-60

[1] Forecast. [2] Federally inspected. [3] Wholesale weighted average. [4] Wholesale, 8-16 lb. young hens.

FEED SITUATION AND LIVESTOCK PRODUCTION COSTS

Grazing conditions across most of the country this spring have been considerably better than during the past few years. Moisture conditions through May were very favorable for forage production in most areas. But the situation can change quickly and by midsummer there could be areas where forage supplies are critically low.

Probably of more immediate concern to livestock and poultry producers is the delay in plantings of the major feed crops caused by excessive rains in the Midwest. This year, plantings have been slower than usual and this might reduce yields. It is a situation to watch from the standpoint of feed supplies and prices.

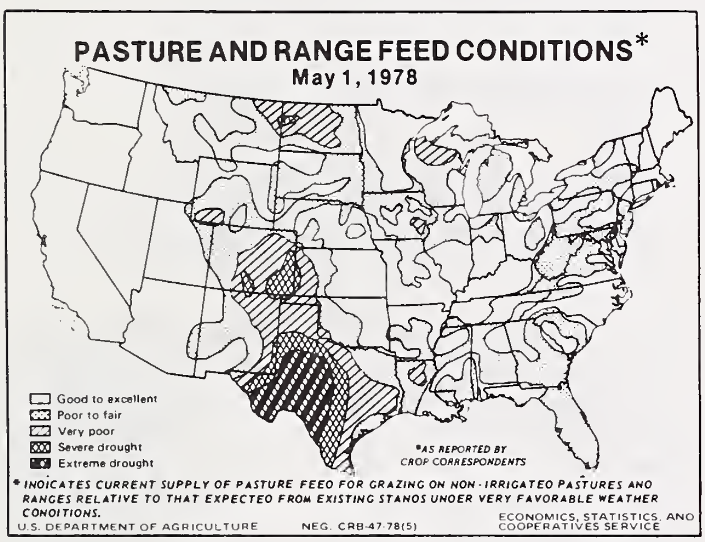
Concentrate Feed Supplies Ample

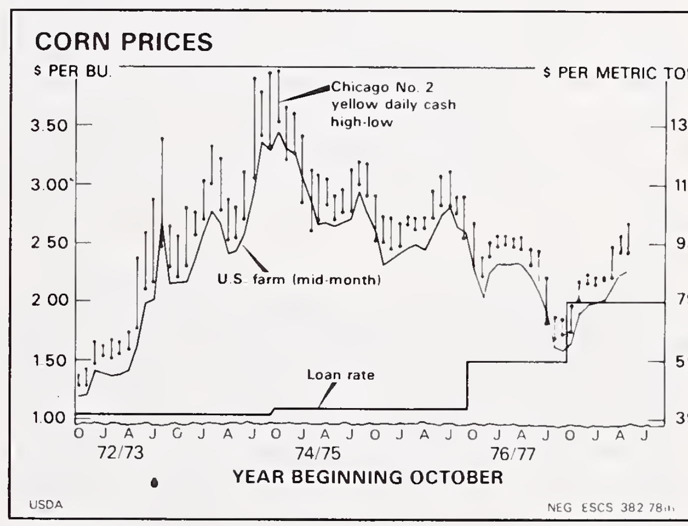
Stocks of grains and soybeans are larger than a year ago. On April 1, corn stored in all positions was a record 3.84 billion bushels, up 17 percent from last year and 36 percent above April 1, 1976. Soybeans stored in all positions totaled 843 million bushels, up 36 percent from a year ago but down 3 percent from 1976.

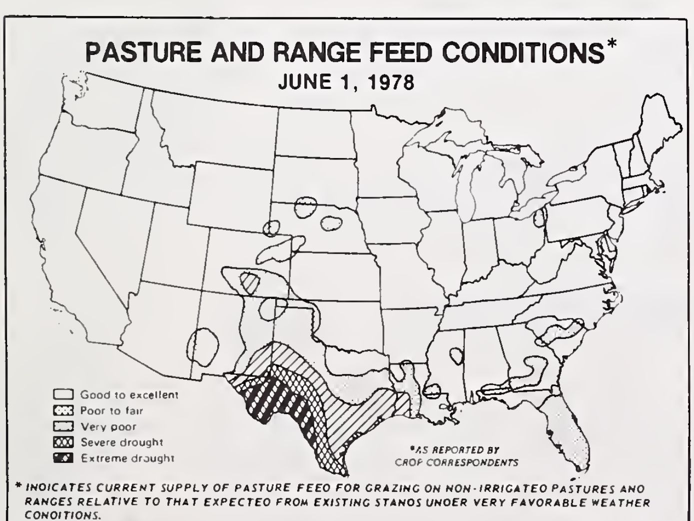
Supplies of feed concentrates will be ample to support expanded fed beef, pork, and poultry output this year. Prices of these concentrates are expected to remain favorably priced for feeding in 1978, but unfavorable weather conditions, both in the United States and abroad, could change this situation. Higher feed prices would have more impact on meat production in the long run than in the short run.

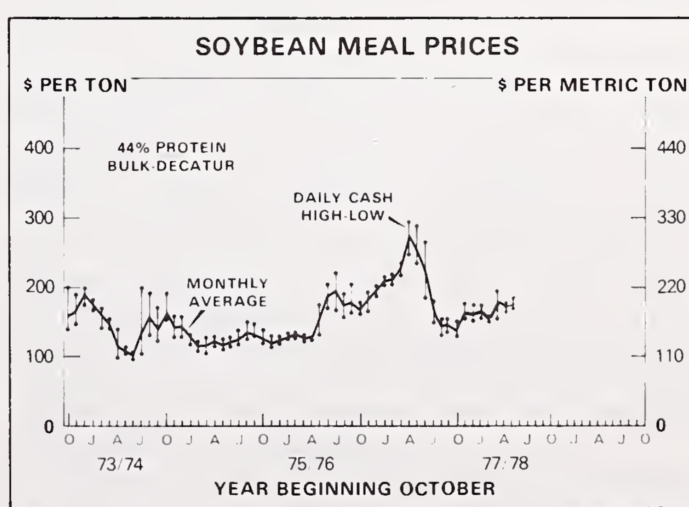
Corn prices have been trending upward since last fall, from a U.S. farm level of $1.60 per bushel in September to $2.28 per bushel in mid-May. They will probably continue to trend upward until the fall harvest. However, the increase is expected to be small unless unfavorable planting and growing conditions substantially reduce this year's grain crop.

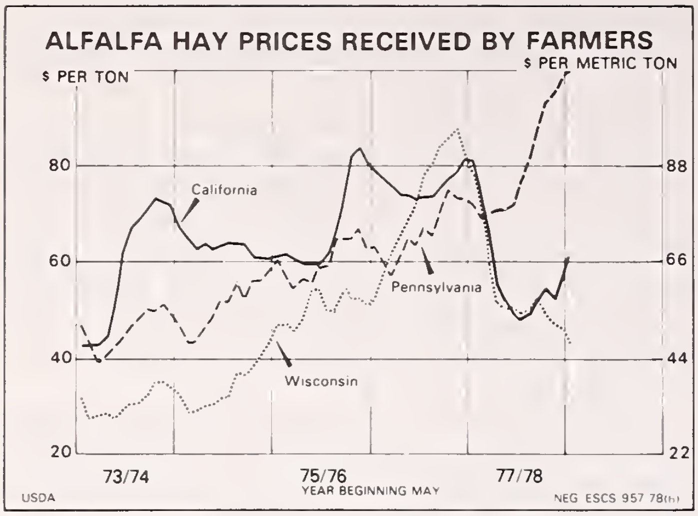
Soybean meal prices have also trended upward since last fall. Prices for 44-percent soybean meal rose from about $144 per ton last September to about $180 in late May.











Livestock Costs and Returns Picture Much Improved

Although feeding costs for livestock producers have risen since last fall, they are still low compared with a few years ago. These costs will probably rise a little over the next few months but not enough to significantly slow feeding.

Cattle feeders have been making profits on cattle marketed during the past month or two as fed cattle prices have risen sharply. These improved profits have been possible because when the feeder cattle were purchased their price was much below the current level. Cattle feeders have operated in a loss situation during most of the last 4 years and these are the first profits of significance for many months.

With rising prices for feeder cattle, profits on cattle placed on feed this spring probably will not match those for cattle marketed this spring. For example, for cattle placed in April, Choice steers would have to sell for over $65 per 100 pounds in October to return the same margin of profit as those sold in April (see Corn Belt Cattle Feeding table). If feeder cattle prices and feed costs continue to rise as expected, Choice steer prices in excess of $55 will be required after October just to cover costs.

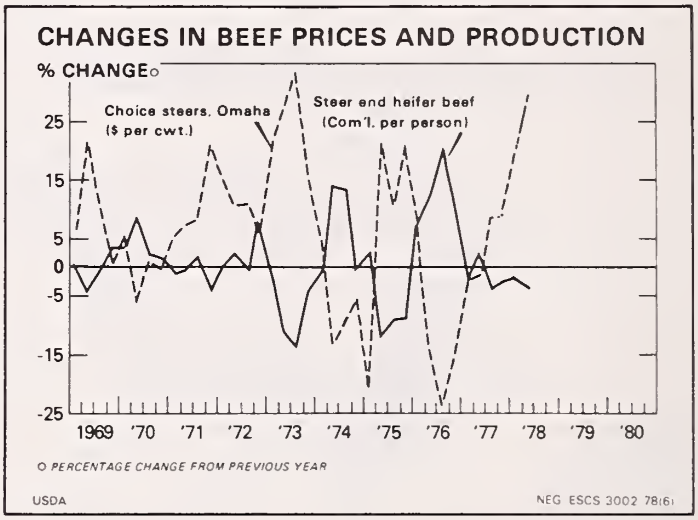
Hog producers are also making good profits. Hog prices have been high enough for returns to exceed costs for most hog producers. Profits will likely remain quite favorable for hog producers throughout 1978.

A new publication just off press, *Costs of Producing Hogs in the United States—1976*, presents detailed cost estimates for various types of hog enterprises in different regions of the United States. Released as Committee Print 25-503 by the Committee on Agriculture, Nutrition, and Forestry of the United States Senate, the report was prepared by the USDA's Economics, Statistics, and Cooperatives Service.

CATTLE

Cattle prices have been stronger than expected during the first half of this year. After remaining relatively stable in the high $30's to low $40's during 1976 and 1977, Choice steer prices began rising in the last weeks of 1977. The rate of increase gained momentum in 1978, and during the first quarter, Choice 900-1,100 pound steers at Omaha averaged over 20 percent above their year-earlier level of $37.88 per cwt. Prices have been even stronger this spring and second quarter Choice steer prices will average more than 30 percent above last year.

The supply outlook for both beef and competing meats during the last half of this year suggests little, if any, weakening in cattle prices. Total commercial cattle slaughter for the July-December period may drop 9 to 11 percent below a year earlier. For the year, commercial cattle slaughter could be down 6 to 8 percent from 1977, reflecting a sharp drop in nonfed slaughter.



Beef production for the last half of this year may be 6 to 8 percent less than a year earlier and for the year it could be down 5 percent or more. Increases in pork and broiler production during July-December are not expected to be large enough to offset the decrease in beef production. Thus, total red meat and poultry production may drop 1 to 2 percent below the last half of 1977.

Slaughter and Prices of Fed Cattle To Continue Above Year-Earlier Level

Despite an increase in fed cattle slaughter, fed cattle prices have been considerably above a year ago. Following a record-high number of cattle placed on feed during the later months of 1977, large fed cattle marketings in early 1978 were

Table 1—Beef supplies and prices

	Commercial cattle slaughter[1]						Average dressed weight	Commercial production	Per capita consumption[2]	Prices			
	Steers and heifers			Cows	Bulls and stags	Total				Retail	Choice Feeders 600-700 lb. Kansas City	Choice Steers Omaha 900-1100 lb.	Farm
	Fed	Non-fed	Total										
	1,000 head						Lb.	Mil. lb.	Lb.	Cents/lb.	$/cwt.		
1974: I	6,100	560	6,660	1,689	165	8,514	638	5,434	28.3	145.1	47.78	45.46	42.83
II	6,430	817	7,247	1,391	179	8,817	639	5,638	28.8	134.5	39.80	40.01	36.37
III	5,680	1,526	7,206	1,913	244	9,363	614	5,751	29.4	141.0	34.64	43.91	34.97
IV	5,670	1,695	7,365	2,521	232	10,118	595	6,021	30.3	134.5	29.31	38.19	28.83
Year	23,880	4,598	28,478	7,514	820	36,812	621	22,844	116.8	138.8	37.88	41.89	35.60
1975: I	5,690	1,611	7,301	2,224	208	9,733	600	5,842	30.3	129.6	27.39	35.72	27.33
II	5,200	1,658	6,858	2,419	273	9,550	586	5,593	28.4	146.5	34.67	48.03	34.57
III	5,190	1,913	7,103	3,124	312	10,539	564	5,942	30.2	156.4	35.54	48.64	33.83
IV	5,130	1,865	6,995	3,790	304	11,089	568	6,296	31.2	151.4	38.06	46.05	33.07
Year	21,210	7,047	28,257	11,557	1,097	40,911	579	23,673	120.1	146.0	33.91	44.61	32.30
1976: I	6,550	1,375	7,925	2,748	240	10,913	595	6,492	32.8	142.1	39.19	38.71	33.37
II	6,150	1,429	7,579	2,330	261	10,170	604	6,145	31.2	141.5	43.89	41.42	37.17
III	6,430	1,605	8,035	2,612	262	10,909	607	6,618	33.5	136.1	38.10	37.30	32.97
IV	5,910	1,588	7,498	2,929	235	10,662	601	6,412	31.8	136.0	36.40	39.00	31.93
Year	25,040	5,997	31,037	10,619	998	42,654	602	25,667	129.3	138.9	39.40	39.11	33.70
1977: I	6,710	1,009	7,719	2,535	212	10,466	601	6,287	31.7	135.1	37.77	37.88	33.07
II	6,400	1,406	7,806	2,162	224	10,192	604	6,158	30.9	136.6	41.10	40.77	35.20
III	6,420	1,568	7,988	2,398	244	10,630	595	6,321	32.0	138.8	41.16	40.47	34.70
IV	6,360	1,217	7,577	2,769	222	10,568	588	6,220	31.3	142.7	40.70	42.42	34.97
Year	25,890	5,200	31,090	9,864	902	41,856	597	24,986	125.9	138.3	40.19	40.38	34.40
1978: I	7,050	653	7,703	2,316	184	10,203	598	6,104	30.5	151.3	47.89	45.77	40.30
II	6,900	790	7,690	2,150	210	10,050	604	6,075	30.3	168.0	58.00	55.00	54.50
III													
IV													
Year													

[1] Classes estimated. [2] Total, including farm production.

expected to keep fed cattle prices from advancing very much.

First quarter fed cattle slaughter was about 5 percent larger than a year earlier and accounted for about 69 percent of the total commercial cattle slaughter. During the first quarter of 1977, fed cattle slaughter accounted for 64 percent of the slaughter. Despite this increase in fed slaughter relative to total slaughter, average dressed weights were about 3 pounds lighter. Average steer and heifer weights, however, were about 10 pounds below first quarter 1977.

An orderly marketing of fed cattle helped to hold these weights down. Both packers and feeders have been willing to move cattle with minimum finish. Also, rates of gain during the winter may have been a little slower than normal and this would have tended to spread marketings over a longer period.

The lighter weights allowed movement of this large number of fed cattle with only a small increase in fed beef production. However, a 16-percent decline in first quarter nonfed cattle slaughter pulled total beef production down 3 percent.

Inventories of cattle on feed continue above last year, up 10 percent on April 1 in the 23 States and 9 percent on May 1 in the 7 States. These larger inventories suggest continued year-to-year increases in fed cattle slaughter through summer. However, a continued marketing of fed cattle with minimum finish could hold down beef production.

If grazing conditions remain good through summer, as they currently are in most areas across the country, there may not be much pressure on cattlemen to move their calves off pastures and ranges. This could result in cattle feeders having some difficulty obtaining large numbers of cattle to place in feedlots this summer. Therefore, even if grain prices remain favorable for feeding, placements of cattle on feed this summer may only about match last year's high level unless grazing conditions are poor.

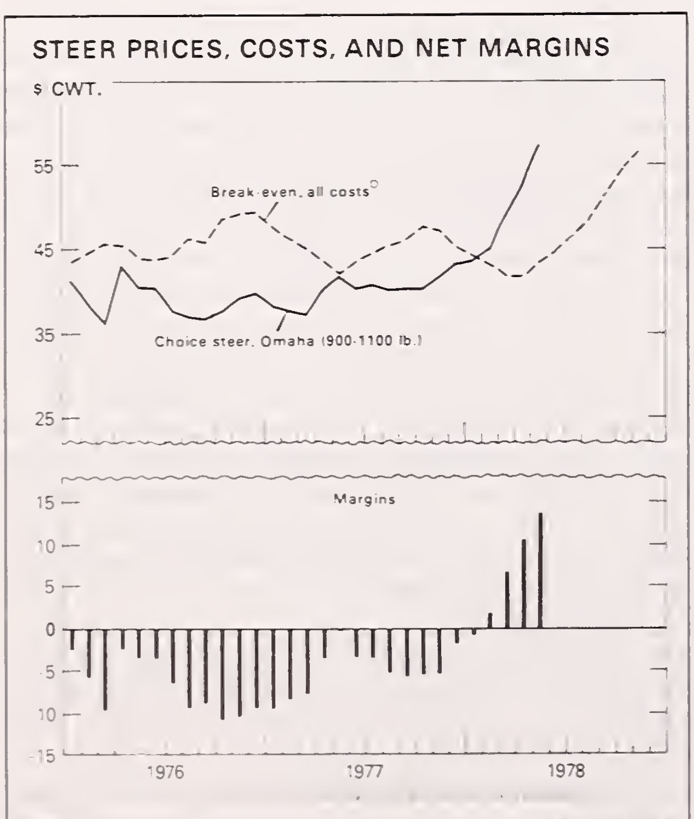
Second-half 1978 fed cattle slaughter may be only 3 to 4 percent above a year earlier. This would result in fed cattle slaughter for the year being about 5 percent above last year.

With a substantial reduction in nonfed slaughter, beef production will probably continue to

Steer prices, costs, and net margins[1]

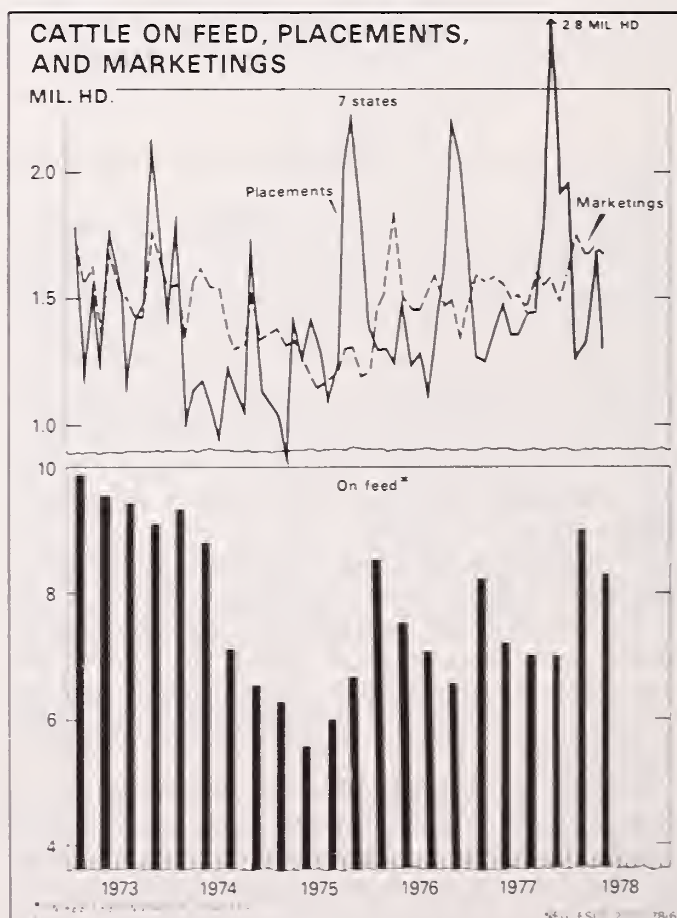
Year	Steers Omaha	Feed & Feeder	Break-even	Net margin
	$ per cwt.			
1975				
Oct.	47.90	36.31	41.77	+6.13
Nov.	45.23	38.31	43.93	+1.30
Dec.	45.01	38.97	44.64	+.37
1976				
Jan.	41.18	37.83	43.50	-2.32
Feb.	38.80	39.05	44.67	-5.87
Mar.	36.14	40.04	45.79	-9.65
Apr.	43.12	39.39	45.30	-2.18
May	40.62	38.15	44.01	-3.39
June	40.52	38.12	43.98	-3.46
July	37.92	38.34	44.17	-6.25
Aug.	37.02	40.40	46.40	-9.38
Sept.	36.97	39.94	45.94	-8.97
Oct.	37.88	42.53	48.68	-10.80
Nov.	39.15	43.28	49.42	-10.27
Dec.	39.96	43.37	49.49	-9.53
1977				
Jan.	38.38	40.85	47.82	-9.44
Feb.	37.98	40.46	46.35	-8.37
Mar.	37.28	39.25	45.06	-7.78
Apr.	40.08	37.86	43.66	-3.58
May	41.98	36.24	42.07	-0.09
June	40.24	37.73	43.58	-3.34
July	40.94	38.50	44.41	-3.47
Aug.	40.11	39.28	45.31	-5.20
Sept.	40.35	40.01	46.10	-5.75
Oct.	42.29	41.53	47.72	-5.43
Nov.	41.83	40.77	47.04	-5.21
Dec.	43.13	38.88	45.09	-1.96
1978				
Jan.	43.62	38.04	44.27	-.65
Feb.	45.02	36.92	43.12	+1.90
Mar.	48.66	35.76	41.92	+6.74
Apr.	52.52	35.80	41.95	+10.57
May	57.28	37.34	43.54	+13.74
June		38.57	44.82	
July		40.01	46.42	
Aug.		42.03	48.70	
Sept.		45.20	52.04	
Oct.		47.74	54.71	
Nov.		49.81	56.84	

[1] Selling price required to cover costs of feeding 600 lb. feeder steer to 1,050 lb. slaughter in Corn Belt.



7 States Cattle on Feed, Placements, and Marketings

Year	On feed	Change, previous year	Net placements	Change, previous year	Marketings	Change, previous year
	1,000 head	*Percent*	*1,000 head*	*Percent*	*1,000 head*	*Percent*
1975						
June ..	5,841	-25.9	1,313	+63.9	1,148	-25.5
July ...	6,006	-16.0	1,090	-10.5	1,164	-14.2
Aug. ..	5,932	-15.3	1,230	+7.0	1,213	-6.8
Sept. ..	5,949	-13.2	2,005	+92.6	1,298	-2.0
Oct. ...	6,656	+1.3	2,233	+28.3	1,307	-13.8
Nov. ..	7,582	+11.6	1,864	+59.6	1,190	-11.1
Dec. ...	8,256	+24.6	1,483	+35.9	1,202	-10.8
1976						
Jan. ...	8,537	+34.0	1,282	+21.7	1,462	+6.6
Feb. ...	8,357	+38.1	1,293	+73.1	1,529	+16.2
Mar. ...	8,121	+48.2	1,248	-13.8	1,841	+38.3
Apr. ...	7,528	+34.5	1,497	+18.2	1,512	+18.6
May ...	7,513	+34.4	1,226	-13.9	1,470	+25.4
June ..	7,269	+24.4	1,278	-2.7	1,468	+27.9
July ...	7,079	+17.7	1,113	+2.1	1,521	+30.7
Aug. ..	6,671	+12.5	1,356	+10.2	1,589	+31.0
Sept. ..	6,438	+8.2	1,618	-19.3	1,478	+13.9
Oct. ...	6,578	-1.2	2,215	-0.8	1,491	+14.1
Nov. ..	7,302	-3.7	2,031	+9.0	1,333	+12.0
Dec. ...	8,000	-3.1	1,686	+13.7	1,473	+22.5
1977						
Jan. ...	8,213	-3.8	1,262	-1.6	1,602	+9.6
Feb. ...	7,873	-5.8	1,250	-3.3	1,567	+2.5
Mar. ...	7,556	-7.0	1,435	+15.0	1,710	-7.1
Apr. ...	7,281	-3.3	1,470	-1.8	1,554	+2.8
May ...	7,197	-4.2	1,335	+8.9	1,479	+0.6
June ..	7,053	-3.0	1,367	+7.0	1,546	+5.3
July ...	6,874	-2.9	1,439	+29.3	1,442	-5.2
Aug. ..	6,871	+3.0	1,453	+7.2	1,598	+0.6
Sept. ..	6,726	+4.5	1,762	+8.9	1,530	+3.5
Oct. ...	6,958	+5.7	2,771	+25.1	1,589	+6.6
Nov. ..	8,140	+11.5	1,925	-5.7	1,498	+12.4
Dec. ...	8,567	+7.1	1,965	+16.5	1,605	+9.0
1978						
Jan. ...	8,927	+8.7	1,427	+13.1	1,740	+8.6
Feb. ...	8,614	+9.4	1,328	+6.2	1,666	+6.3
Mar. ...	8,276	+9.5	1,684	+17.4	1,698	-0.7
Apr. ...	8,262	+13.5	1,294	-12.0	1,695	+9.1
May ...	7,861	+9.2				



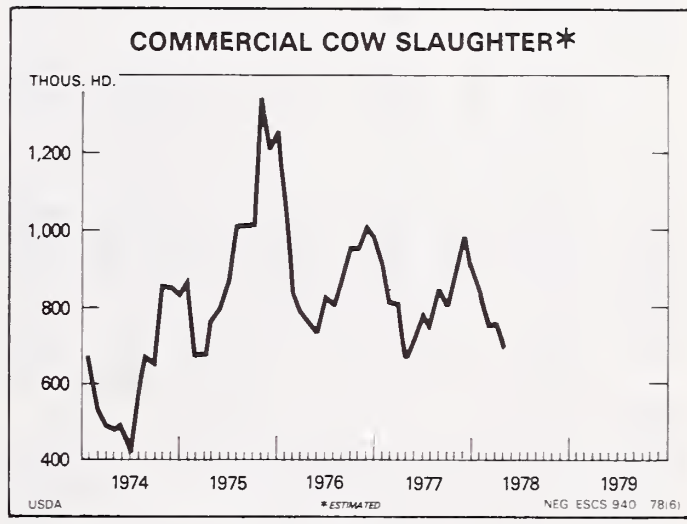
Federally inspected cattle slaughter

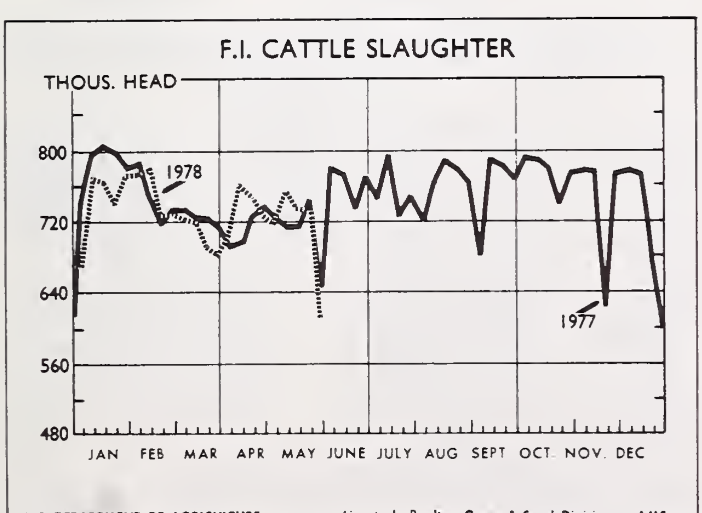
Week ended 1978[1]	Cattle 1977	Cattle 1978	Steers 1977	Steers 1978	Cows 1977	Cows 1978
	Thousands					
Jan. 7	738	671	325	307	193	169
14	792	791	357	366	195	192
21	804	760	347	357	212	176
28	800	737	333	343	210	173
Feb. 4	783	774	353	363	189	181
11	789	765	356	366	195	171
18	751	777	332	375	186	173
25	719	727	329	343	173	171
Mar. 4	731	729	339	345	173	162
11	736	725	348	357	167	145
18	726	717	342	341	162	160
25	725	689	342	323	158	150
Apr. 1	714	683	354	324	144	146
Apr. 8	695	704	342	329	135	163
15	700	767	343	377	147	156
22	725	744	354	356	155	154
29	738	735	357	337	162	168
May 6	726	717	358	344	151	158
13	715	752	345	368	152	153
20	719	730	348	350	160	161
27	742	734	365		155	
June 3	648	612	330		133	
June 10	780		385		174	
17	775		382		174	
24	737		372		147	
July 1	769		380		171	
July 8	644		317		138	
15	783		370		185	
22	727		345		162	
29	746		355		169	
Aug. 5	722		349		160	
12	760		368		160	
19	787		366		181	
26	781		358		182	
Sept. 2	762		351		167	
Sept. 9	687		318		147	
16	791		343		187	
23	783		341		186	
30	770		337		173	
Oct. 7	791		343		184	
14	791		339		199	
21	781		343		203	
28	738		315		190	
Nov. 4	774		328		210	
11	778		342		209	
18	776		334		227	
25	625		284		163	
Dec. 2	783		338		219	
Dec. 9	788		347		213	
16	782		348		211	
23	681		312		173	
30	603		284		142	

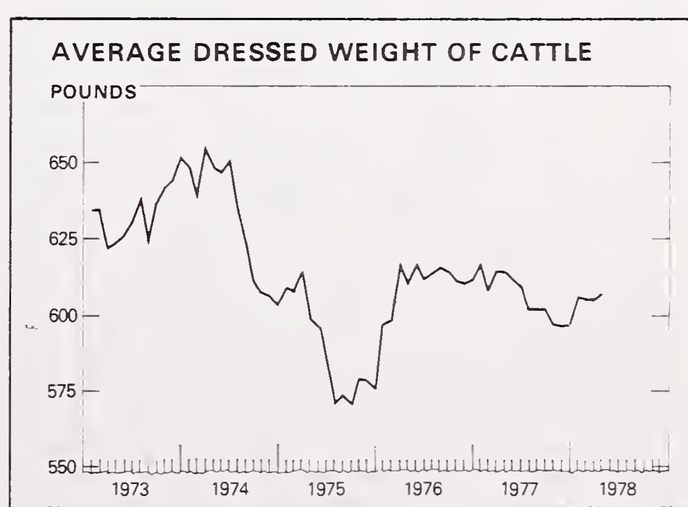
[1] Corresponding date: 1977, January 1978.

Utility cow prices per 100 pounds, Omaha

Month	1973	1974	1975	1976	1977	1978
	Dollars					
January	26.67	31.45	16.82	23.26	22.95	27.59
February	31.43	32.65	18.18	25.90	23.88	30.34
March	33.90	31.76	19.45	27.45	26.67	32.44
April	33.59	30.50	21.67	30.72	27.63	36.94
May	34.26	27.67	23.55	30.24	26.57	39.21
June	33.09	26.39	23.32	27.47	25.64	
July	34.22	24.22	22.00	25.80	25.23	
August	37.56	24.54	21.29	25.10	25.38	
September	34.58	22.56	22.45	22.90	26.12	
October	33.68	19.68	22.01	22.72	24.89	
November	30.71	17.62	20.73	20.59	23.80	
December	30.14	17.67	21.64	21.60	25.02	
Average	32.82	25.56	21.09	25.31	25.32	



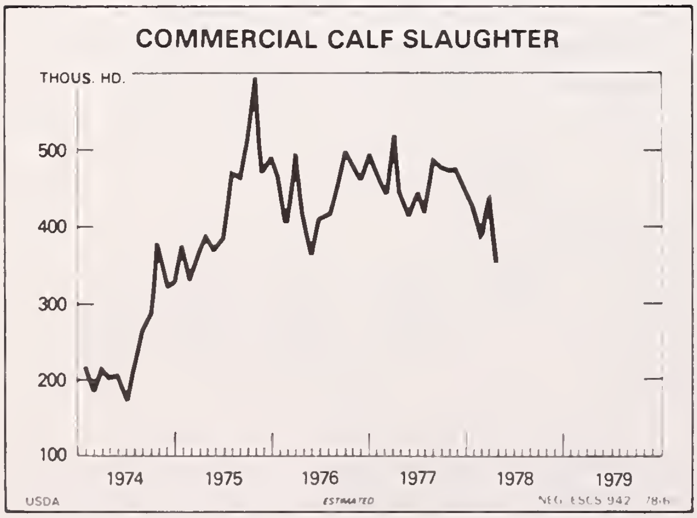




Veal supplies and prices

	Commercial			Per capita[1]	Prices		
	Slaughter	Av. dr. wt.	Production		Retail	Choice vealers So. St. Paul	Farm
	1,000 head	*Lb.*	*Mil. lb.*	*Lb.*	*Cents per lb.*	*$/cwt.*	*$/cwt.*
1973							
I . . .	685	140	96	.5	169.4	63.00	53.63
II . . .	489	155	76	.4	181.0	63.43	58.00
III . .	475	154	73	.4	186.8	67.68	62.87
IV . .	600	133	80	.5	189.5	62.21	53.53
Year . .	2,249	145	325	1.8	181.7	64.08	56.60
1974							
I . . .	614	135	83	.5	197.3	63.17	52.33
II . . .	585	144	84	.4	193.9	54.38	42.50
III . .	762	159	121	.6	194.4	43.96	33.47
IV . .	1,026	150	154	.8	190.7	37.02	26.13
Year . .	2,987	148	442	2.3	194.1	49.63	35.20
1975							
I . . .	1,068	155	166	.9	183.4	38.68	24.40
II . . .	1,137	160	182	.9	182.1	42.18	28.37
III . .	1,449	160	232	1.2	182.1	37.56	26.67
IV . .	1,555	159	247	1.2	177.0	43.33	28.30
Year . .	5,209	159	827	4.2	181.1	40.44	27.20
1976							
I . . .	1,370	150	206	1.0	173.8	50.84	33.13
II . . .	1,195	149	178	.9	174.3	44.01	38.23
III . .	1,349	152	205	1.0	174.9	38.62	34.00
IV . .	1,436	156	224	1.1	170.1	47.24	32.63
Year . .	5,350	152	813	4.0	173.3	45.18	34.10
1977							
I . . .	1,438	140	201	1.0	177.7	53.42	35.30
II . . .	1,304	143	187	.9	178.9	53.13	37.47
III . .	1,380	149	205	1.0	181.1	44.90	37.17
IV . .	1,395	144	201	1.0	183.3	41.33	37.17
Year . .	5,517	144	794	3.9	180.3	48.19	36.78
1978							
I . . .	1,251	142	178	.9	179.9	43.95	44.80
II . . .	1,000	140	140	.7	197.0	73.00	57.00
III . .							
IV . .							
Year							

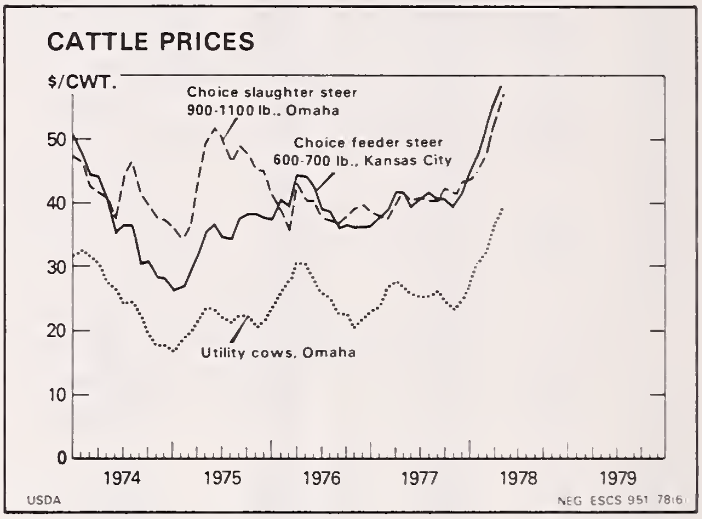
[1] Total, including farm production.



Choice steer prices per 100 pounds, Omaha[1]

Month	1973	1974	1975	1976	1977	1978
	Dollars					
January	40.65	47.14	36.34	41.18	38.38	43.62
February . . .	43.54	46.38	34.74	38.80	37.98	45.02
March	45.65	42.85	36.08	36.14	37.28	48.66
April	45.03	41.53	42.80	43.12	40.08	52.52
May	45.74	40.52	49.48	40.62	41.98	57.28
June	46.76	37.98	51.82	40.52	40.24	
July	47.66	43.72	50.21	37.92	40.94	
August	52.94	46.62	46.80	37.02	40.11	
September . .	45.12	41.38	48.91	36.97	40.35	
October	41.92	39.64	47.90	37.88	42.29	
November . . .	40.14	37.72	45.23	39.15	41.83	
December . . .	39.36	37.20	45.01	39.96	43.13	
Average	44.54	41.89	44.61	39.11	40.38	

[1] 900-1,100 lb.



Feeder cattle prices per 100 pounds, Kansas City

Month	Choice feeder steers 600-700 lbs.			Choice feeder steer calves[1]		
	1976	1977	1978	1976	1977	1978
	Dollars					
Jan.	37.46	36.49	44.07	37.47	37.99	46.15
Feb.	40.42	37.86	47.60	41.40	41.69	51.78
Mar.	39.69	38.95	52.00	44.01	44.36	57.64
Apr.	44.62	41.81	55.08	47.01	45.72	61.10
May	44.21	41.72	58.58	47.58	45.20	68.17
June	42.83	39.90		44.81	42.46	
July	39.18	40.64		40.64	43.14	
Aug.	38.94	41.99		41.13	45.27	
Sept.	36.18	40.85		38.18	46.06	
Oct.	36.72	40.82		39.81	44.48	
Nov.	36.26	39.94		38.46	42.95	
Dec.	36.23	41.33		38.22	43.84	
Av.	39.40	40.19		41.56	43.60	

[1] 400-500 lbs.

decline. After averaging about 2 percent below the year-earlier level during the first half of this year, beef production during the last 6 months may be 6 to 8 percent lower.

In view of these production prospects, fed cattle prices will probably continue strong. Choice steer prices have advanced above $60 on some markets, although this level of prices is not expected to be maintained. As more of the increases in live animal prices are reflected at retail, some consumers will probably shift from beef to poultry, pork, or other foods.

This summer, Choice steers at Omaha are expected to average in the $55-$57 range. If pork production rises seasonally this fall as expected, fed cattle prices could weaken slightly late in the year.

Feeder Cattle Prices Continue To Rise

Good grazing conditions, a much smaller supply of feeder cattle, and a good feedlot demand for feeders have resulted in sharply higher feeder cattle prices this year. Choice 600-700 pound feeder steers at Kansas City averaged $48 during the first quarter of 1978. They advanced further during the spring and will average near $60 for the second quarter.

If grazing conditions remain good this summer, cattlemen may choose to hold calves a little longer, thus making more use of their grass. This will probably appear as a good alternative for many cattlemen, especially if they think high feeder cattle prices will continue this fall. In this case, they would have little to lose. Also, with the reduced cattle inventory, there will be fewer animals to consume the forages than in the past several years.

Feeder cattle prices will probably continue rising this summer if grazing is good and grain prices do not rise much above current levels. Choice 600-700 pound feeder steers will probably average in the high $50's to low $60's this summer. But as feeder cattle marketings rise seasonally this fall, prices may slip back a few dollars.

However, there may be little, if any, seasonal weakness in calf prices this fall if calf death losses were larger than usual this winter, as has been suggested in many trade publications. The July cattle inventory report will give a better indication of death losses.

Feeder cattle supplies will continue to tighten since this year's calf crop is expected to be smaller than in 1977. With this continuing tight supply situation, the long-term outlook for feeder cattle producers is good.

Feeder steer prices consistent with break-even, given corn and fed steer prices[1]

Corn (Farm price)	Choice steers, $/cwt.					
	40	45	50	55	60	65
$/bu.	*Feeder steers, $/cwt.*					
1.75	33	42	51	59	68	77
2.00	31	40	49	57	66	75
2.25	29	38	47	56	64	73
2.50	27	36	45	54	62	71
2.75	26	34	43	52	61	69
3.00	24	32	41	50	59	67
3.25	22	31	39	48	57	66
3.50	20	29	37	46	55	64

[1] Assuming all other costs at May 1978 levels. (see corn belt cattle feeding table).

Cow Slaughter Continues High

Even though there has been a sharp runup in cattle prices since the first of this year, cow slaughter has continued relatively large. Cow slaughter during the first quarter was down less than 9 percent from a year earlier. April cow slaughter was up 2½ percent from last year and it continued to match the year-earlier level into May. Second quarter cow slaughter will probably about match that of a year ago.

Several reasons have been suggested for this continued high level of cow slaughter. Among these are: localized shortages of hay during the extremely cold winter, selling of cows that lost a calf this winter, selling of cows on the improved market to meet current expenses, and lack of belief that a new period of relatively favorable returns has actually arrived.

Cattle prices only recently attained the higher level that is restoring profits to cattle-producing operations. Just last fall, most cattle that were sold did not return a profit to their producer. Therefore, after an extended period of financial losses such as cattlemen have been through, it will take more than just a few months of high prices to make many cattlemen believe things have really improved.

Cattlemen are expected to begin to hold more cows and add extra heifers to their herds in light of current prices and the outlook. This is expected to gain momentum during the last half of the year, particularly as more producers have calves ready to market at higher prices. Cow slaughter for the second half of this year may decline about a fifth from a year earlier. But for the year, cow slaughter may only be down 15 percent or less.

Cow slaughter as a percentage of the beginning-of-the-year cow inventory may be 16 to 17 percent. This rate of cow slaughter would continue the downturn in the cow herd, particularly considering the sharp reduction in heifers intended for herd replacements at the beginning of this year. The sharp rise in the number of heifers in feedlots suggests that there has not been a major turnaround

Table 2—Corn Belt cattle feeding

Selected expenses at current rates[1]

Purchased during / Marketed during	Feb. 77 / Aug. 77	Mar. / Sept.	Apr. / Oct.	May / Nov.	June / Dec.	July / Jan. 78	Aug. / Feb.	Sept. / Mar.	Oct. / Apr.	Nov. / May	Dec. / June	Jan. 78 / July	Feb. / Aug.	Mar. / Sept.	Apr. / Oct.	May / Nov.
	Dollars per head															
Expenses:																
600 lb. feeder steer	227.16	233.70	250.86	250.32	239.40	243.84	251.94	245.10	244.92	239.64	247.98	264.42	285.60	312.00	330.48	351.48
Transportation to feedlot (400 miles)	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28
Corn (45 bu.)	104.85	104.85	104.40	99.45	94.50	86.40	72.90	70.20	71.10	87.30	89.55	88.20	88.65	94.95	101.70	102.60
Silage (1.7 tons)	38.39	38.45	36.75	34.63	32.71	30.97	27.30	26.16	26.20	29.60	30.74	30.97	31.47	31.40	32.25	32.64
Protein supplement (270 lb.)	28.76	29.84	31.86	32.40	31.05	27.81	25.92	24.84	24.57	26.19	26.86	26.32	25.11	26.60	27.54	26.86
Hay (400 lb.)	13.25	13.30	12.15	11.30	10.60	10.45	9.65	9.20	9.10	9.35	9.85	10.20	10.50	9.60	9.30	9.45
Labor (4 hours)	10.24	10.24	10.24	10.72	10.72	10.72	10.32	10.32	10.32	10.80	10.80	10.80	11.68	11.68	11.68	11.08
Management[2]	5.12	5.12	5.12	5.36	5.36	5.36	5.16	5.16	5.16	5.40	5.40	5.40	5.84	5.84	5.84	5.54
Vet medicine[3]	3.19	3.22	3.25	3.27	3.25	3.24	3.22	3.22	3.21	3.23	3.24	3.34	3.37	3.42	3.45	3.50
Interest on purchase (6 mo.)	10.22	10.52	11.29	11.26	10.77	10.97	11.34	11.03	11.02	110.78	11.16	11.90	12.85	14.04	14.87	15.82
Power, equip, fuel, shelter, depreciation[3]	14.88	15.02	15.17	15.23	15.17	15.12	15.04	15.02	14.99	15.06	15.10	15.56	15.72	15.94	16.11	16.31
Death loss (1% of purchase)	2.27	2.34	2.51	2.50	2.39	2.44	2.52	2.45	2.45	2.40	2.48	2.64	2.86	3.12	3.30	3.51
Transportation (100 miles)	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31
Marketing expenses	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35
Miscellaneous & indirect costs[3]	6.44	6.49	6.56	6.59	6.56	6.54	6.50	6.49	6.48	6.51	6.53	6.73	6.80	6.89	6.97	7.05
Total	475.71	484.03	501.10	493.97	473.42	464.80	452.75	440.13	440.46	457.20	470.63	487.42	511.39	546.42	574.43	596.78
	Dollars per cwt.															
Selling price/cwt. required to cover feed and feeder costs (1050 lb.)	39.28	40.01	41.53	40.77	38.88	38.04	36.92	35.76	35.80	37.34	38.57	40.01	42.03	45.20	47.74	49.81
Selling price/cwt. required to cover all costs (1050 lb.)	45.31	46.10	47.72	47.04	45.09	44.27	43.12	41.92	41.95	43.54	44.82	46.42	48.70	52.04	54.71	56.84
Feed cost per 100 lb. gain	41.17	41.43	41.15	39.51	37.52	34.58	30.17	28.98	29.10	33.88	34.89	34.60	34.61	36.12	37.93	38.12
Choice steers, Omaha	40.11	40.35	42.29	41.83	43.13	43.62	45.02	48.66	52.52	57.28						
Net margin/cwt.	-5.20	-5.75	-5.43	-5.21	-1.96	-0.65	+1.90	+6.74	+10.57	+13.74						
Prices																
Feeder steer Choice (600-700 lb.) Kansas City/cwt.)	37.86	38.95	41.81	41.72	39.90	40.64	41.99	40.85	40.82	39.94	41.33	44.07	47.60	52.00	55.08	58.58
Corn/bu.[4]	2.33	2.33	2.32	2.21	2.10	1.92	1.62	1.56	1.58	1.94	1.99	1.96	1.97	2.11	2.26	2.28
Hay/ton[4]	66.25	66.50	60.75	56.50	53.00	52.25	48.25	46.00	45.50	46.75	49.25	51.00	52.50	48.00	46.50	47.25
Corn silage/ton[5]	22.58	22.62	21.62	20.37	19.24	18.22	16.06	15.39	15.41	17.41	18.08	18.22	18.51	18.47	18.97	19.20
32-36% Protein supp./cwt.[6]	10.65	11.05	11.80	12.00	11.50	10.30	9.60	9.20	9.10	9.70	9.95	9.75	9.30	9.85	10.20	9.85
Farm Labor/hour[6]	2.56	2.56	2.56	2.68	2.68	2.68	2.58	2.58	2.58	2.70	2.70	2.70	2.92	2.92	2.92	2.77
Interest annual rate	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Transportation rate/cwt. 100 mile	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22
Marketing expenses[8]	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35
Index of prices paid by farmers (1910-14=100)	679	685	692	695	692	690	686	685	684	687	689	710	717	727	735	744

[1] Represents only what expenses would be if all selected items were paid for during the period indicated. The feed ration and expense items do not necessarily coincide with experience of individual feeders. For individual use, adjust expenses and prices for management, production level and locality of operation. [2] Assumes one hour at twice the labor rate. [3] Adjusted monthly by the index of prices paid by farmers for commodities, services, interest, taxes and wage rates. [4] Average price received by farmers in Iowa and Illinois. [5] Corn silage price derived from an equivalent price of 5 bushels corn and 330 lb. hay. [6] Average price paid by farmers in Iowa and Illinois. [7] Converted from cents/mile for a 44,000 pound haul. [8] Yardage plus commission fees at a midwest terminal market.

Table 3—Great Plains Custom cattle feeding[1]

Purchased during / Marketed during	Feb. 77 / Aug. 77	Mar. / Sept.	Apr. / Oct.	May / Nov.	June / Dec.	July / Jan. 78	Aug. / Feb.	Sept. / Mar.	Oct. / Apr.	Nov. / May	Dec. / June	Jan. 78 / July	Feb. / Aug.	Mar. / Sept.	Apr. / Oct.	May / Nov
	Dollars per head															
Expenses:																
600 lb. feeder steer	228.00	231.60	250.86	243.96	230.34	232.26	232.50	234.60	232.68	238.08	250.98	265.32	287.46	315.12	325.98	355.68
Transportation to feedlot (300 mi)	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96
Commission	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Feed:																
milo (1,500 lb.)	59.10	58.05	58.05	56.10	51.90	51.90	48.00	49.35	52.95	55.80	56.25	55.80	57.60	63.15	64.65	64.65
corn (1,500 lb.)	66.00	64.80	65.55	64.50	58.35	56.55	52.20	53.25	56.55	62.25	62.55	62.70	63.75	70.50	65.55	73.05
cottonseed meal (400 lb.)	46.40	46.80	47.20	48.40	48.80	47.60	43.60	38.80	34.80	36.40	38.80	39.20	39.20	39.60	38.80	38.40
alfalfa hay (800 lb.)	40.00	39.40	39.60	38.00	37.20	38.00	38.20	38.40	37.40	38.60	39.80	40.00	39.40	39.00	39.00	38.40
Total feed cost	211.50	209.05	210.40	207.00	196.25	194.05	182.00	179.80	181.70	193.05	197.40	197.70	199.95	212.25	208.00	214.50
Feed handling & management charge	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00
Vet medicine	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Interest on feeder & ½ feed	15.44	15.55	16.47	16.07	15.19	15.22	14.96	15.01	15.77	16.31	17.05	17.75	19.37	21.06	21.50	23.15
Death loss (1.5% of purchase))	3.42	3.47	3.76	3.66	3.46	3.48	3.49	3.51	3.49	3.57	3.76	3.98	4.31	4.73	4.89	5.34
Marketing[2]	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.
Total	489.32	490.63	512.45	501.65	476.20	475.97	463.91	463.88	464.60	481.97	500.15	515.71	542.05	584.12	591.33	629.63
	Dollars per cwt.															
Selling price required to cover:[3]																
Feed and feeder cost (1,056 lb.)	41.62	41.73	43.68	42.70	40.40	40.37	39.25	39.24	39.24	40.83	42.46	43.85	45.02	49.94	50.57	53.99
All costs	46.34	46.46	48.53	47.50	45.09	45.07	43.93	43.93	44.00	45.64	47.36	48.84	51.33	55.31	56.00	59.62
Selling price $/cwt.[4]	40.14	40.52	42.20	42.10	43.69	43.72	44.75	49.21	53.10	58.23						
Net margin/cwt.	-6.20	-5.94	-6.33	-5.40	-1.40	-1.35	+0.82	+5.28	+9.10	+12.59						
Costs per 100 lb. gain:																
Variable costs less interest	47.78	47.30	47.63	46.93	44.74	44.31	41.90	41.46	41.84	44.12	45.03	45.14	45.65	48.20	47.38	48.77
Feed costs	42.30	41.81	42.08	41.40	39.25	38.81	36.40	35.96	36.34	38.61	39.48	39.54	39.99	42.45	41.60	42.90
Unit Prices:																
Choice feeder steer 600-700 lb. Amarillo $/cwt.	38.00	38.60	41.81	40.66	38.39	38.71	38.75	39.10	38.78	39.68	41.83	44.22	47.91	52.52	54.33	59.28
Transportation rate $/cwt/100 miles[5]	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22
Commission fee $/cwt.	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50
Milo $/cwt.[6]	3.94	3.87	3.87	3.74	3.46	3.46	3.20	3.29	3.53	3.72	3.75	3.72	3.84	4.21	4.31	4.31
Corn $/cwt.[6]	4.40	4.32	4.37	4.30	3.89	3.77	3.48	3.55	3.77	4.15	4.17	4.18	4.25	4.70	4.37	4.87
Cottonseed meal $/cwt.[7]	11.60	11.70	11.80	12.10	12.20	11.90	10.90	9.70	8.70	9.10	9.70	9.80	9.80	9.90	9.70	9.60
Alfalfa hay $/ton[8]	100.00	98.50	99.00	95.00	93.00	95.00	95.50	96.00	93.50	96.50	99.50	100.00	98.50	97.50	97.50	96.00
Feed handling & management charge $/ton	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Interest, annual rate	9.25	9.25	9.25	9.25	9.25	9.25	9.25	9.25	9.75	9.75	9.75	9.75	10.00	10.00	10.00	10.00

[1] Represents only what expenses would be if all selected items were paid for during the period indicated. The feed ration and expense items do not necessarily coincide with experience of individual feedlots. For individual use, adjust expenses and prices for management, production level, and locality of operation. Steers are assumed to gain 500 lb in 180 days at 2.8 lb. per day with a feed conversion of 8.4 lb. per pound gain. [2] Most cattle sold F.O.B. the feedlot with 4 percent shrink. [3] Sale weight 1,056 pounds (1,100 pounds less 4 percent shrink) [4] Choice slaughter steers, 900-1,100 lb., Texas-New Mexico direct. [5] Converted from cents per mile for a 44,000 pound haul. [6] Texas Panhandle elevator price plus $.15/cwt. handling and transportation to feed lots. [7] Average prices paid by farmers in Texas. [8] Average prices received by farmers in Texas plus $30/ton handling and transportation to feedlots.

in producer intentions since the first of the year. The July cattle inventory report will give a new reading on heifers held for herd replacements.

Calf Slaughter Dropping Sharply

During the first quarter of this year, calf slaughter was 13 percent below the year-earlier level. Since then, calf slaughter has slowed considerably. In April, calf slaughter was down 21 percent from a year ago and it continued down sharply during May.

With calf prices continuing to rise this spring and summer, even larger declines in calf slaughter are likely. Higher calf prices will make it more attractive for producers to keep the calves longer and market them at heavier weights. But more important, a much larger percentage will go into feedlots.

A sharp reduction in calf slaughter will free up more calves for feeding. Without a sharp reduction in calf slaughter, feeder cattle supplies would be greatly restricted.

Electing to keep calves and putting them through feedlots rather than slaughtering them as calves adds many pounds per animal to beef production. For example, in April of this year the average dressed weight of calves slaughtered under Federal inspection was 119 pounds, while the average weight of steers and heifers was 636 pounds. Thus, every animal that goes on to be slaughtered as a steer or heifer rather than as a calf results in a net gain of over 500 pounds of beef. This is one of the adjustments that will be occurring as the cattle inventory cycle turns upward during the next few years.

HOGS

Commercial hog slaughter during the winter quarter of 1978 was 19.4 million head, 2 percent under the year-earlier total. During April, the slaughter of 6.5 million head was 3 percent less than a year ago. But with fewer slaughter days, the average daily kill was up from a year ago. With one additional slaughter day during May this year, federally inspected hog slaughter was increased 7 percent. The commercial total during April-June should be a little over 19 million head, up slightly from last spring. First-half hog slaughter would then match the 38½-million-head figure for January-June 1977.

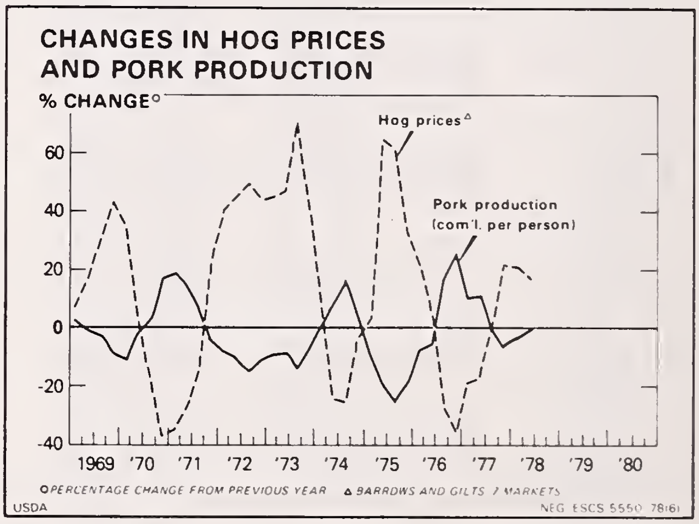
Prices received at 7 markets will average about $48 per 100 pounds through midyear compared with $40 through June last year. First quarter retail pork prices advanced 13 percent. An increase of 15 percent is in prospect for the first half. More than 60 percent of the retail value of pork produced will be returned to the farmer versus 58 percent in 1977.

Small Seasonal Decline in Slaughter Likely This Summer

Slaughter rates normally reach a seasonal low during the summer, but any seasonal decline this year likely will be small. Summer quarter slaughter may slip only 1 to 3 percent from the spring total.

Slaughter hogs marketed during July-September will come largely from December-February farrowings, which were about equal to a year ago in the 14 quarterly reporting States. But the March 1 inventory of pigs weighing less than 60 pounds was up 2 percent, perhaps indicating a larger number of pigs saved this year. The number of 60-pound-plus market hogs on June 1 is expected to show an increase of 3 to 4 percent. A similar increase in slaughter this summer would be expected with the total about 18½ to 19 million head. Weekly slaughter under Federal inspection may average near 1.4 million head per week.

At the suggested level of hog slaughter, prices for barrows and gilts at 7 markets are expected to hold $6 to $8 per 100 pounds above last summer's $44 average. Beef supplies this summer are likely to be down 6 to 8 percent from last year.



Fall Outlook Tied to March-May Farrowings

The supply and price outlook for the fall quarter will depend primarily on March-May farrowings. As of March 1, producers in 14 States reported plans to increase spring farrowings by only 1 percent. If realized, pork production, while up about 10 percent from the summer, would be about the same as a year ago. A reduction in beef output from this summer, and seasonal strength in pork demand, would offset much of the price impact of the quarter-to-quarter increase in pork production.

Table 4—Pork supplies and prices

Year	Estimated commercial slaughter[1]				Average dressed weight	Commercial production	Per capita consumption[2]	Prices		
	Barrows and gilts	Sows	Boars	Total				Retail	Barrows and gilts 7 markets	Farm
	1,000 head				*Lb.*	*Mil lb.*	*Lb.*	*Cents per lb.*	*$/cwt.*	
1974: I ...	18,887	1,075	187	20,149	173	3,481	17.2	115.2	38.40	38.13
II ...	19,659	1,174	181	21,014	175	3,670	17.8	99.3	28.00	27.03
III ...	17,699	1,802	204	19,705	172	3,381	16.8	107.4	36.59	34.63
IV ...	19,124	1,588	182	20,894	171	3,568	17.3	111.0	39.06	37.43
Year	75,369	5,639	754	81,762	172	14,100	69.1	108.2	35.12	34.31
1975: I ...	17,711	886	162	18,759	167	3,142	15.5	114.4	39.35	38.43
II ...	16,704	939	165	17,808	168	2,991	14.4	123.1	46.11	43.93
III ...	14,151	1,003	153	15,307	167	2,556	12.5	149.2	58.83	56.20
IV ...	15,659	982	172	16,813	172	2,897	13.7	153.4	52.20	51.67
Year	64,225	3,810	652	68,687	169	11,586	56.1	135.0	48.32	47.56
1976: I ...	16,605	694	132	17,431	170	2,958	14.4	141.5	47.99	47.10
II ...	15,962	718	141	16,821	169	2,847	13.5	138.5	49.19	47.93
III ...	16,872	964	147	17,983	168	3,014	14.4	137.4	43.88	43.30
IV ...	20,215	1,184	150	21,549	170	3,669	17.2	119.8	34.25	33.47
Year	69,654	3,560	570	73,784	169	12,488	59.5	134.3	43.11	42.95
1977: I ...	18,522	1,031	217	19,770	167	3,294	15.6	120.6	39.08	38.23
II ...	17,582	950	211	18,743	170	3,184	14.9	121.8	40.87	39.57
III ...	17,002	1,086	205	18,293	168	3,073	14.7	131.1	43.85	42.63
IV ...	19,139	1,167	191	20,497	171	3,500	16.3	128.3	41.38	39.73
Year	72,245	4,234	824	77,303	169	13,051	61.5	125.4	41.07	40.04
1978: I ...	18,193	1,011	194	19,398	167	3,242	15.3	137.2	47.44	46.20
II ...	18,060	850	190	19,100	169	3,225	14.9	141.0	48.00	47.00
III ...										
IV ...										
Year										

[1] Classes estimated. [2] Total, including farm production.

An increase in spring farrowings of perhaps 4 to 5 percent was possible since returns to pork producers have been higher than expected. The seasonal increase in pork production would then be about 15 percent, or a fall quarter total about 4 percent over a year ago. In this event, market hog prices in the $46- to $48-range would be expected.

Increases in Summer and Fall Farrowings Likely

Summer quarter farrowing intentions initially suggested a 2-percent reduction from a year ago. The second reading on farrowing intentions, available in USDA's Hogs and Pigs Report to be released June 22, is expected to show an increase if intentions only match those published on March 1, since downward revisions in 1977 summer farrowings data are anticipated.

If the revised estimate of June-August 1977 farrowings reflects the same percentage change as does September-November 1977 data, current intentions would point to about a 3-percent increase. But the March inventory report established a sound basis for optimism. The economic incentive has been with us for a number of quarters without significant expansion resulting. It is likely producers have adjusted production plans upward since March 1. Breeding for summer farrowings took place during February through April.

The June report will carry first intentions for the fall quarter farrowings. But based on the profit situation for hog producers, projected farrowings for September through November are an 8- to 9-percent increase over a year ago. Hog slaughter during the first half of 1979 could be up as much as a tenth if projected farrowings are realized. Market hog prices in the mid-$40's would then be anticipated.

Higher Feeder Pig Prices Cloud Profit Outlook for Hog Feeders

The stronger-than-anticipated slaughter hog market this spring led to sharply higher feeder pig prices. Forty- to 50-pound feeder pigs at southern Missouri markets advanced from a low near $34 per head in late January to $59 per head during the first week in April. These hogs will be marketed during August. Hogs would need to return roughly $53 per 100 pounds to assure a breakeven position.

Table 5—Corn Belt hog feeding[1]

Selected costs at current rates[2]

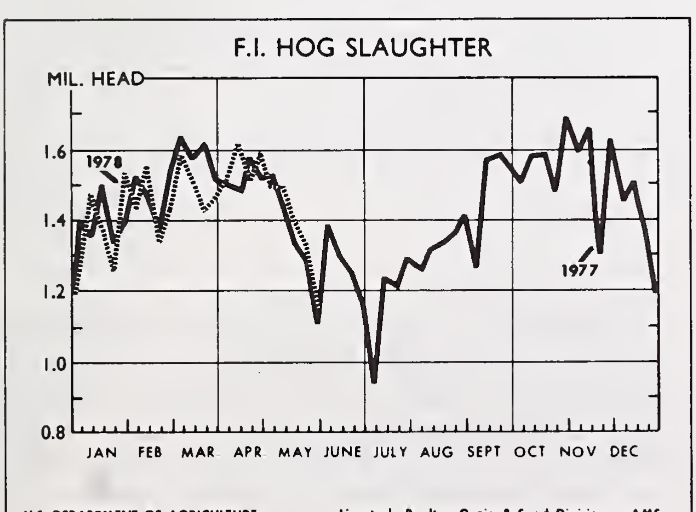
Purchased during / Marketed during	Feb. 77 June 77	Mar. July	Apr. Aug.	May Sept.	June Oct.	July Nov.	Aug. Dec.	Sept. Jan. 78	Oct. Feb.	Nov. Mar.	Dec. Apr.	Jan. 78 May	Feb. June	Mar. July	Apr. Aug.	May Sept.
	Dollars per head															
Expenses:																
40 lb. feeder pig	33.24	38.58	41.49	40.91	35.18	36.90	39.84	37.46	34.94	32.32	30.38	35.88	44.12	51.63	54.57	54.08
Corn (11 bu.)	25.63	25.63	25.52	24.31	23.10	21.12	17.82	17.16	17.38	21.34	21.89	21.56	21.67	23.21	24.86	25.08
Protein supplement (130 lb.)	17.94	19.37	20.74	21.12	20.28	17.10	15.92	15.54	15.08	15.92	15.92	16.12	15.54	16.18	17.10	16.71
Labor & management (1.3 hr.)	6.66	6.66	6.66	6.97	6.97	6.97	6.71	6.71	6.71	7.02	7.02	7.02	7.59	7.59	7.59	7.37
Vet medicine[3]	1.61	1.62	1.64	1.65	1.64	1.64	1.63	1.62	1.62	1.63	1.63	1.68	1.70	1.72	1.74	1.76
Interest on purchase (4 mo.)	1.00	1.16	1.24	1.23	1.06	1.11	1.20	1.12	1.05	.97	.91	1.08	1.32	1.55	1.64	1.62
Power, equip, fuel, shelter, depreciation[3]	3.91	3.95	3.99	4.00	3.99	3.97	3.95	3.95	3.94	3.96	3.97	4.09	4.13	4.19	4.23	4.29
Death loss (4% of purchase)	1.33	1.54	1.66	1.64	1.41	1.48	1.59	1.50	1.40	1.29	1.22	1.44	1.76	2.07	2.18	2.16
Transportation (100 miles)	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48
Marketing expenses	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14
Miscellaneous & indirect costs[3]	.40	.40	.41	.41	.41	.41	.40	.40	.40	.41	.41	.42	.42	.43	.43	.44
Total	93.34	100.53	104.97	103.86	95.66	92.32	90.68	87.08	84.14	86.48	84.97	90.91	99.87	110.19	115.96	115.13
	Dollars per cwt.															
Selling price/cwt. required to cover feed and feeder costs (220 lb.)	34.91	37.99	39.89	39.25	35.71	34.15	33.45	31.89	30.64	31.63	31.00	33.44	36.97	41.37	43.88	43.58
Selling price/cwt. required to cover all costs (220 lb.)	42.43	45.70	47.71	47.21	43.48	41.96	41.22	39.58	38.25	39.31	38.62	41.32	45.40	50.09	52.71	52.33
Feed cost per 100 lb. gain	24.21	25.00	25.70	25.24	24.10	21.23	18.74	18.17	18.03	20.70	21.01	20.93	20.67	21.88	23.31	23.22
Barrows and gilts 7 markets/cwt.	43.86	45.76	44.38	41.40	40.83	39.33	43.99	45.99	48.83	47 50	46.04	49.17				
Net margin/cwt.	+1.43	+0.06	-3.33	-5.81	-2.65	-2.63	+2.77	+6.41	+10.58	+8.19	+7.42	+7.85				
Prices:																
40 lb. feeder pig (So. Missouri)	33.24	38.58	41.49	40.91	35.18	36.90	39.84	37.46	34.94	32.32	30.38	35.88	44.12	51.63	54.57	54.08
Corn[4] $/bu.	2.33	2.33	2.32	2.21	2.10	1.92	1.62	1.56	1.58	1.94	1.99	1.96	1.97	2.11	2.26	2.28
38-42% protein supp.[5] $/cwt.	13.80	14.90	15.95	16.25	15.60	13.15	12.25	11.95	11.60	12.25	12.25	12.40	11.95	12.45	13.15	12.85
Labor and management[6] $/hr.	5.12	5.12	5.12	5.36	5.36	5.36	5.16	5.16	5.16	5.40	5.40	5.40	5.84	5.84	5.84	5.54
Interest rate (annual)	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Transportation rate/cwt. (100 miles)[7]	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22
Marketing expenses[8]	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14
Index of prices paid by farmers (1910-14=100)	679	685	692	695	692	690	686	685	684	687	689	710	717	727	735	744

[1] Although a majority of hog feeding operations in the Corn Belt are from farrow to finish, relative fattening expenses will be similar. [2] Represents only what expenses would be if all selected items were paid for during the period indicated. The feed rations and expense items do not necessarily coincide with the experience of individual feeders. For individual use, adjust expenses and prices for management, production level, and locality of operation. [3] Adjusted monthly by the index of prices paid by farmers for commodities, services, interest, taxes and wage rates. [4] Average price received by farmers in Iowa and Illinois. [5] Average prices paid by farmers in Iowa and Illinois. [6] Assumes an owner-operator receiving twice the farm labor rate. [7] Converted to cents/cwt. from cents/mile for a 44,000 pound haul. [8] Yardage plus commission fees at a midwest terminal market.

Federally inspected hog slaughter

Week ended 1978[1]	1974	1975	1976	1977	1978
	Thousands				
Jan. 7	1,566	1,588	1,407	1,399	1,247
14	1,577	1,432	1,326	1,357	1,473
21	1,598	1,385	1,227	1,495	1,376
28	1,328	1,450	1,203	1,344	1,261
Feb. 4	1,185	1,424	1,208	1,388	1,527
11	1,541	1,419	1,234	1,520	1,437
18	1,403	1,340	1,168	1,470	1,551
25	1,564	1,352	1,255	1,379	1,348
Mar. 4	1,554	1,453	1,273	1,534	1,424
11	1,555	1,395	1,422	1,632	1,579
18	1,493	1,393	1,403	1,568	1,508
25	1,637	1,315	1,383	1,609	1,422
Apr. 1	1,589	1,404	1,388	1,518	1,452
Apr. 8	1,519	1,439	1,387	1,502	1,508
15	1,602	1,478	1,290	1,488	1,608
22	1,515	1,401	1,271	1,576	1,504
29	1,547	1,368	1,321	1,522	1,588
May 6	1,678	1,301	1,309	1,527	1,498
13	1,534	1,221	1,316	1,439	1,522
20	1,626	1,221	1,197	1,336	1,377
27	1,392	1,101	1,257	1,283	1,330
June 3	1,621	1,294	1,038	1,112	1,142
June 10	1,596	1,254	1,199	1,383	
17	1,343	1,163	1,155	1,298	
24	1,285	1,132	1,103	1,253	
July 1	984	853	1,024	1,164	
July 8	1,313	1,061	941	949	
15	1,242	1,100	1,159	1,232	
22	1,326	1,055	1,181	1,214	
29	1,476	1,027	1,265	1,287	
Aug. 5	1,443	1,051	1,342	1,264	
12	1,454	1,157	1,344	1,315	
19	1,377	1,057	1,332	1,342	
26	1,482	1,169	1,401	1,368	
Sept. 2	1,347	996	1,350	1,411	
Sept. 9	1,628	1,267	1,227	1,270	
16	1,622	1,258	1,579	1,568	
23	1,600	1,198	1,508	1,590	
Oct. 2	1,585	1,188	1,593	1,547	
Oct. 7	1,602	1,159	1,647	1,505	
14	1,541	1,193	1,660	1,582	
21	1,491	1,163	1,669	1,597	
28	1,475	1,194	1,599	1,487	
Nov. 4	1,583	1,275	1,729	1,685	
11	1,574	1,336	1,706	1,603	
18	1,594	1,376	1,646	1,655	
25	1,305	1,069	1,386	1,308	
Dec. 2	1,654	1,372	1,644	1,623	
Dec. 9	1,574	1,237	1,614	1,462	
16	1,492	1,219	1,522	1,504	
23	1,015	949	1,140	1,369	
30	1,014	970	1,206	1,187	

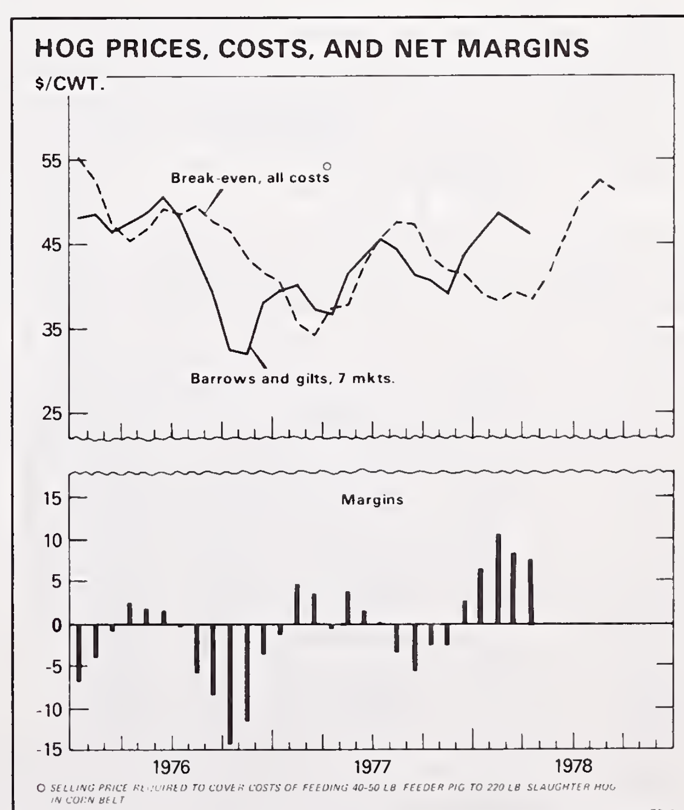
[1] Corresponding dates: 1974, January 12; 1975, January 11; 1976, January 10; 1977, January 8.



Hog prices, costs, and net margins[1]

Year	Barrows & gilts 7 markets	Feed and Feeder	Break-even	Net margins
	$ per cwt.			
1975				
August	58.10	38.90	46.02	+12.08
September	61.23	39.15	46.32	+14.91
October	58.52	39.60	46.82	+11.70
November	49.74	39.58	46.90	+2.84
December	48.33	42.29	49.66	-1.33
1976				
January	48.40	47.31	55.12	-6.72
February	48.85	44.77	52.80	-3.95
March	46.71	39.81	47.56	-.85
April	47.89	37.87	45.48	+2.41
May	48.89	39.29	46.94	+1.95
June	50.80	41.23	49.15	+1.65
July	48.26	40.49	48.35	-.09
August	44.00	41.81	49.79	-5.79
September	39.39	39.96	47.74	-8.35
October	32.66	39.21	46.84	-14.18
November	32.05	36.20	43.57	-11.52
December	38.05	34.70	41.85	-3.80
1977				
January	39.52	33.60	40.65	-1.13
February	40.18	28.62	35.46	+4.72
March	37.53	27.23	34.14	+3.39
April	36.97	30.41	37.42	-.45
May	41.79	30.75	37.83	+3.96
June	43.86	34.91	42.43	+1.43
July	45.76	37.99	45.70	+.06
August	44.38	39.89	47.71	-3.33
September	41.40	39.25	47.21	-5.81
October	40.83	35.71	43.48	-2.65
November	39.33	34.15	41.96	-2.63
December	43.99	33.45	41.22	+2.77
1978				
January	45.99	31.89	39.58	+6.41
February	48.83	30.64	38.25	+10.58
March	47.50	31.63	39.31	+8.19
April	46.04	31.00	38.62	+7.42
May	49.17	33.44	41.32	+7.85
June		36.97	45.40	
July		41.37	50.09	
Aug.		43.88	52.71	
Sept.		43.58	52.33	

[1] Selling price required to cover costs of feeding 40-50 lb. feeder pig to 220 lb. slaughter hog in Corn Belt.

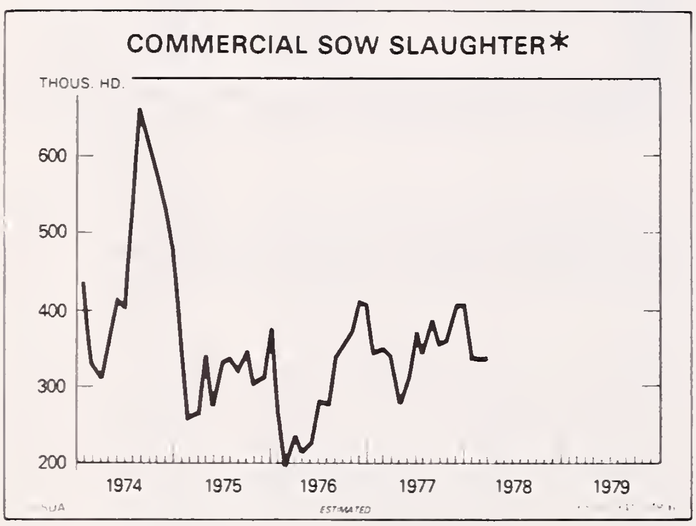


Feeder pig prices likely have peaked for the year as grain markets firm seasonally, but returns from slaughter hogs marketed in late summer and fall from feeder-pig-finishing operations are not likely to cover recent cost increases. If the slaughter market holds in the $46- to $48-range this fall, and assuming all costs at May levels, maximum prices paid for feeder pigs this summer consistent with breakeven would be $40 to $45 per head. If only variable costs are to be recovered, prices paid could go to $45 to $50 per head.

Feeder pig prices consistent with break-even all costs, given corn and market hog prices[1]

Corn (Farm price)	Market hogs, $/cwt.					
	35	40	45	50	55	60
$bu.	*Feeder pigs, $ per hd.*					
1.75	22	33	44	55	66	77
2.00	19	30	41	52	63	74
2.25	16	27	38	49	60	71
2.50	14	25	36	47	58	69
2.75	11	22	33	44	55	66
3.00	8	19	30	41	52	63
3.25	5	16	27	38	49	60
3.50	3	14	25	36	47	58

[1] Assuming protein and other costs at May 1978 levels. Includes $4.73 in fixed costs. (See hog feeding table).



Hog-corn price ratio, Omaha basis

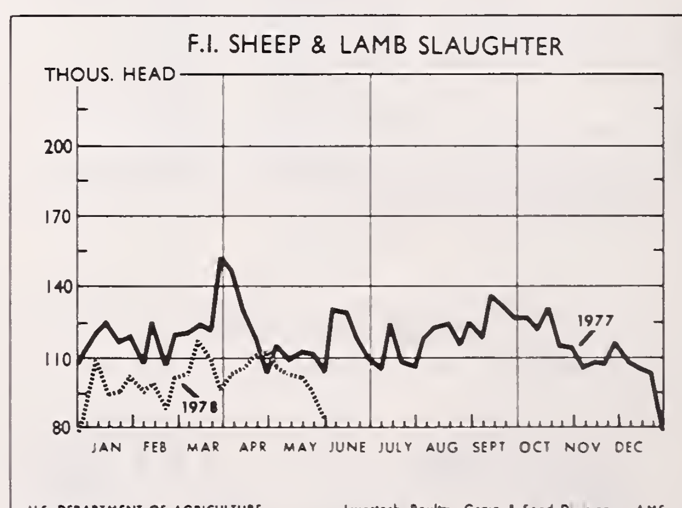
Month	1973	1974	1975	1976	1977	1978
Jan.	21.5	14.8	12.6	18.6	16.4	22.7
Feb.	23.3	13.4	14.1	18.6	16.8	24.0
Mar.	25.4	12.5	14.3	17.7	15.9	22.2
Apr.	23.4	12.1	14.1	18.3	16.0	20.4
May	19.5	10.2	16.4	17.7	18.8	20.9
June	16.9	10.0	17.9	17.6	20.7	
July	19.9	11.2	19.4	16.8	23.8	
Aug.	20.8	10.5	18.6	16.2	26.4	
Sept.	18.4	10.3	20.7	15.1	24.6	
Oct.	17.8	10.6	21.2	13.7	22.6	
Nov.	16.9	11.0	19.4	14.4	19.2	
Dec.	15.7	11.8	18.5	16.4	21.4	
Avg.	19.3	11.3	16.9	16.5	20.2	

SHEEP AND LAMBS

Higher lamb prices may be encouraging some withholding of ewe lambs from slaughter this year. Slaughter through June is drawn primarily from the inventory of lambs on hand January 1. Ewe lamb numbers were up 6 percent. The total lamb inventory was 2 percent greater. Yet slaughter through midyear may be down 12 to 14 percent. Winter quarter slaughter at 1.34 million head was 15 percent below January-March 1977. Spring slaughter likely will be under 1.5 million head, about 12 percent less than a year ago.

Better range conditions in the Mountain States and resulting heavier carcasses may limit the decline in lamb and mutton production this spring to about 7 percent. Through midyear, production will be down 10 to 12 percent.

Dry winter and spring weather in Texas and excellent grazing conditions in the Western States may accentuate seasonal patterns this year. Lambs may go directly from mountain ranges to slaughter in larger numbers this year and could hold summer production above that for the spring. Lambing in Texas was later this year than last. The early lamb crop in Texas was down 23 percent, and fewer lambs will go directly from the range to slaughter—contributing to a sharper seasonal decline during the fall quarter. Slaughter this summer may hold near year-earlier levels. Heavier carcasses may offset any decline in slaughter. Slaughter numbers and weights will be down from a year ago this fall.



Delayed movement of lambs from Texas could result in a year-to-year increase in production during the winter quarter of 1979. But a sustained increase in production from an increase in ewe numbers in 1978 is unlikely before 1980 as most ewes would not lamb before 2 years of age.

Table 6— Lamb supplies and prices

	Commercial slaughter[1]			Average dressed weight	Commercial production	Per capita consumption[2]	Retail	Prices		
								San Angelo		Farm
	Lambs and yearlings	Sheep	Total					Choice slaughter	Choice feeder	
	1,000 head			*Lb.*	*Mil. lb.*	*Lb.*	*Cents/lb.*	*Dollars per/cwt.*		
1974: I	2,082	108	2,190	54	119	.6	137.6	40.21	39.52	38.17
II	1,972	140	2,112	52	109	.6	142.5	45.22	40.21	40.43
III	2,214	199	2,413	49	118	.6	152.3	38.85	31.53	36.20
IV	1,991	141	2,132	51	108	.5	153.3	37.76	34.81	34.83
Year	8,259	588	8,847	51	454	2.3	146.4	40.51	36.52	37.00
1975: I	1,879	65	1,944	52	101	.5	155.9	41.15	37.64	38.17
II	1,773	152	1,925	50	96	.5	163.9	46.78	42.11	44.50
III	1,922	169	2,091	50	104	.5	174.7	43.17	40.08	41.17
IV	1,681	194	1,875	52	98	.5	176.1	46.69	45.78	44.37
Year	7,255	580	7,835	51	399	2.0	167.6	44.45	41.40	42.10
1976: I	1,647	69	1,716	55	95	.5	179.5	51.50	51.45	48.43
II	1.423	138	1,561	53	82	.4	189.0	58.63	56.94	55.37
III	1,655	123	1,778	52	92	.5	190.2	43.54	47.32	43.37
IV	1,558	101	1,659	55	92	.5	183.7	45.81	49.39	43.07
Year	6,283	431	6,714	54	361	1.9	185.6	49.87	51.28	46.90
1977: I	1,499	82	1,581	57	90	.5	181.9	52.98	54.87	49.00
II	1,465	160	1,625	53	86	.4	183.6	55.76	52.24	52.23
III	1,490	163	1,653	51	84	.4	191.5	51.88	50.80	50.33
IV	1,393	103	1,496	54	81	.4	191.2	56.50	62.59	53.97
Year	5,847	508	6,355	54	341	1.7	187.0	54.28	55.12	51.38
1978: I	1,274	68	1,342	56	75	.4	206.9	67.67	74.72	63.77
II	1,295	130	1,425	56	80	.4	224.0	71.00	74.00	66.00
III										
IV										
Year										

[1] Classes estimated. [2] Total, including farm production.

MEAT CONSUMPTION AND PRICES

Small decreases in red meat supplies and a very strong consumer demand are expected to result in increasing retail red meat prices for the rest of the spring and into the summer. Further increases in meat prices are likely through early summer if recent increases in live animal prices are more fully reflected at retail. By fall, retail prices should hold near summer levels or even decline slightly as a result of the normal seasonal increase in red meat supplies. Broiler and turkey production will continue to increase during the remainder of the year, causing combined per capita red meat and poultry supplies to increase from the spring through the fall.

From January to March, retail red meat prices, as measured by the Bureau of Labor Statistics' (BLS) Retail Meat Price Index, averaged 10 percent higher than last year while the wholesale price index averaged almost 20 percent higher. It appears that retailers were slow in passing along the higher wholesale costs during the first quarter, but this large difference in price levels probably will not continue during the spring and summer. For the spring quarter, the retail price of meat may increase about 17 percent from a year ago. Wholesale prices could continue to increase, averaging almost 20 percent above prices in April-June of 1977.

During the first quarter, consumer prices for all items averaged 6 percent higher than last year, while the BLS Retail Beef and Veal Price Index increased by 8 percent. This represents a substantial change from the last few years. The Consumer Price Index (CPI) in 1977 averaged almost 13 percent higher than in 1975, while the Beef and Veal Price Index actually declined by about 3½ percent. Current forecasts are for the CPI (1967=100) to average 193-194 for 1978, while the Beef and Veal Price Index will average slightly below that level. The CPI is expected to increase by 6-7 percent from 1977 to 1978, while the Beef and Veal Price Index is expected to average around 16-18 percent higher.

The average composite retail price of Choice grade beef increased by 12 percent during the first quarter of this year compared with the first quarter of 1977, while per capita consumption of beef

declined by 4 percent. During April and early May, the retail price had been averaging 4 to 5 percent higher than the first-quarter level and could increase even more as the increase in live animal and wholesale prices are reflected at the retail level.

The price of lean beef or hamburger is increasing faster than the price of Choice grade at all market levels. From the first week in January to the middle of May, the wholesale dressed meat price of Choice steer beef increased about 25 percent, while the wholesale dressed meat price of cow beef increased 40 percent. Increases in cattle feeding during the rest of the spring and summer should prevent drastic declines in per capita beef supplies. Even though a larger portion of the fed carcass can be ground, the increase will not offset declines in slaughter of cows and other nonfed cattle which have been the primary source of lean beef.

The BLS Retail Pork Price Index increased by 11 percent during the winter compared to the first quarter of last year as per capita pork consumption decreased by 2 percent. During the spring quarter, the average composite retail price of pork could increase about 3 percent above the first-quarter level of 137.2 cents per pound as per capita pork supplies almost match the year-earlier level.

Pork consumption during the summer should hold near spring levels but the retail price could still increase as a result of higher live animal prices. By fall, normal increases in pork production and increased broiler and turkey supplies could result in declines in retail prices.

The price of pork has increased more rapidly at the wholesale level than at retail. From the beginning of January to the middle of May, the composite retail price of pork increased 9 percent, while the wholesale dressed meat price of fresh pork loins increased 16 percent. Although the difference between retail and wholesale pork prices is not as large as for beef, this does add to the potential for higher retail pork prices this summer.

Meat Expenditures

Preliminary estimates of per capita red meat supplies and retail meat prices this spring suggest that consumer expenditures for meat are rising from the winter level of about $55 per person. Second-quarter expenditures may total nearly $59, or $4 higher than the winter level and $9 higher than a year earlier.

Although total expenditures have increased, the percent of disposable income spent for meat during the January-March period will be the lowest first quarter ever, and if estimates are correct, the percent spent during the second quarter will be the second lowest April-June period on record. If disposable income grows as expected during the second quarter, consumers will be spending a smaller proportion of their incomes on meat during the first six months of this year than they did at any earlier time with the exception of 1977. This is not indicative of a change in demand but the result of rising disposable incomes and the decrease in consumption offsetting the increase in retail meat prices. Although real personal consumption expenditures were almost unchanged in the first quarter compared to the last quarter of 1977, this was more the result of the very high (9½ percent annual rate) rate of growth in the fourth quarter. Wages and salaries were up $28½ billion compared to $30 billion in the fourth quarter. However, if allowance is made for the coal strike and the severe weather, the wage and salary increase appears to be very strong.

The general economy is recovering very quickly this spring despite the decline in real gross national product during January and February. The labor force grew by 350,000 people in the first quarter. The unemployment rate was estimated at 6.2 percent of the labor force during April compared to an annual average of 7 percent for 1977. More people working and more disposable income translates into strong consumer demand. The increases in retail meat prices during the winter and early spring apparently have not encountered measurable consumer resistance. This could be explained partially by the expansion in disposable income which has kept pace with the increases in retail meat prices.

Meat Imports Up

Red meat imports during January-March totaled 655.4 million pounds (carcass weight equivalent), about an 11-percent increase over a year ago but only 1 percent more than the first quarter of 1976. This reflects a more normal distribution of imports than last year when imports were unusally low during the first quarter.

First quarter beef and veal imports totaled 511.0 million pounds, a 9-percent increase from a year earlier. Beef and veal imports from Australia where up about 50 percent from a year ago while imports from New Zealand were down about 3 percent. Although they represent only 1.5 percent of the total meat imported into the United States during the first quarter, lamb and mutton and goat meat increased by 86 percent. Pork imports were up by 16 percent.

Table 7— Beef and pork prices and price spreads

Date	Retail price per pound[1]	Carcass value[2]	Gross farm value[3]	Byproduct allowance[4]	Net farm value[5]	Farm-retail spread: Total	Farm-retail spread: Carcass-retail	Farm-retail spread: Farm-carcass	Farmers' share
	Cents								*Percent*
	Beef, Choice grade								
1972	113.8	80.1	79.8	7.4	72.4	41.4	33.7	7.7	64
1973	135.5	98.1	100.0	10.1	89.9	45.6	37.4	8.2	66
1974	138.8	97.4	93.7	7.6	86.1	52.7	41.4	11.3	62
1975	146.0	105.5	99.9	7.0	92.9	53.1	40.5	12.6	64
1976	138.9	88.6	86.3	8.4	77.9	61.0	50.3	10.7	56
1977	138.3	91.0	89.0	9.1	79.9	58.4	47.3	11.1	58
1974									
I	145.1	103.9	101.5	9.4	92.1	53.0	41.2	11.8	63
II	134.5	93.6	89.0	7.3	81.7	52.8	40.9	11.9	61
III	141.0	102.1	99.1	7.8	91.3	49.7	38.9	10.8	65
IV	134.5	90.2	85.4	6.1	79.3	55.2	44.3	10.9	59
1975									
I	129.6	86.6	80.3	5.1	75.2	54.4	43.0	11.4	58
II	146.5	113.4	108.4	7.1	101.3	45.2	33.1	12.1	69
III	156.4	115.4	108.8	7.9	100.9	55.5	41.0	14.5	65
IV	151.4	106.5	102.2	7.9	94.3	57.1	44.9	12.2	62
1976									
I	142.1	89.8	85.3	7.6	77.7	64.4	52.3	12.1	55
II	141.5	93.0	91.9	8.8	83.1	58.4	48.5	9.9	59
III	136.1	83.8	82.1	9.0	73.1	63.0	52.3	10.7	54
IV	136.0	88.0	85.8	8.0	77.8	58.2	48.0	10.2	57
1977									
I	135.1	85.3	83.3	9.0	74.3	60.8	49.8	11.0	55
II	136.6	90.8	90.1	9.7	80.4	56.2	45.8	10.4	59
III	138.8	91.4	88.9	8.7	80.2	58.6	47.4	11.2	58
IV	142.7	96.4	93.6	9.0	84.6	58.1	46.3	11.8	59
1978									
Jan.	148.2	99.4	95.9	9.3	86.6	61.6	48.8	12.8	58
Feb.	151.2	102.6	99.4	9.6	89.8	61.4	48.6	12.8	59
Mar.	154.6	108.1	108.3	10.2	98.1	56.5	46.5	10.0	63
Apr.	162.9	117.4	117.1	10.5	106.6	56.3	45.5	10.8	65
May									
June									
July									
Aug.									
Sept.									
Oct.									
Nov.									
Dec.									
	Pork								
1972	83.2	65.3	51.2	3.5	47.7	35.5	17.9	17.6	57
1973	109.8	87.3	78.2	6.7	71.5	38.3	22.5	15.8	65
1974	108.2	77.4	68.0	7.2	60.8	47.4	30.8	16.6	56
1975	135.0	103.8	94.8	7.9	86.9	48.1	31.2	16.9	64
1976	134.3	93.6	84.4	6.0	78.4	55.9	40.7	15.2	58
1977	125.4	87.6	79.4	6.0	73.4	52.0	37.8	14.2	59
1974									
I	115.2	82.3	73.8	7.7	66.1	49.1	32.9	16.2	57
II	99.3	66.4	53.2	5.3	47.9	51.4	32.9	18.5	48
III	107.4	77.6	70.1	7.3	62.8	44.6	29.8	14.8	58
IV	111.0	83.5	75.0	8.4	66.6	44.4	27.5	16.9	60
1975									
I	114.4	85.7	75.6	7.3	68.3	46.1	28.7	17.4	60
II	123.1	96.7	88.9	7.4	81.5	41.6	26.4	15.2	66
III	149.2	118.9	114.0	9.7	104.3	44.9	30.3	14.6	70
IV	153.4	113.9	100.9	7.3	93.6	59.8	39.5	20.3	61
1976									
I	141.5	100.3	92.6	6.2	86.4	55.1	41.2	13.9	61
II	138.5	100.6	95.0	6.3	88.7	49.8	37.9	11.9	64
III	137.4	93.1	84.5	6.1	78.4	59.0	44.3	14.7	57
IV	119.8	80.2	65.5	5.0	60.5	59.3	39.6	19.7	50
1977									
I	120.6	84.1	75.0	6.1	68.9	51.7	36.5	15.2	57
II	121.8	85.7	78.6	6.5	72.1	49.7	36.1	13.6	59
III	131.1	89.3	84.4	6.0	78.4	52.7	41.8	10.9	60
IV	128.3	91.3	79.6	5.6	74.0	54.3	37.0	17.3	58
1978									
Jan.	133.8	91.5	88.7	6.4	82.3	51.5	42.3	9.2	62
Feb.	138.4	96.5	94.3	6.7	87.6	50.8	41.9	8.9	63
Mar.	139.4	96.4	91.6	7.4	84.2	55.2	43.0	12.2	60
Apr.	140.9	95.7	88.8	6.9	81.9	59.0	45.2	13.8	58
May									
June									
July									
Aug.									
Sept.									
Oct.									
Nov.									
Dec.									

[1] Estimated weighted average price of retail cuts. [2] For quantity equivalent to 1 lb. of retail cuts: Beef: 1.41 lb. of carcass beef; Pork: 1.07 lb. of wholesale cuts. [3] Payment to farmer for quantity of live animal equivalent to 1 lb. of retail cuts less value of byproducts Beef, 2.28 lb.; Pork, 1.97 lb. [4] Portion of gross farm value attributed to edible and inedible byproducts. [5] Gross farm value minus byproduct allowance.

Table 8— Average retail price of meat per pound, United States, by months, 1969 to date[1]

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
							Beef, Choice grade						
1969	89.5	89.6	90.9	93.3	97.8	101.9	102.4	101.1	99.1	95.2	96.5	96.9	96.2
1970	97.5	97.3	99.4	99.9	99.4	98.5	100.7	100.4	98.7	97.9	97.6	96.5	98.6
1971	97.2	101.3	102.2	104.0	104.8	105.7	104.7	105.7	105.9	105.1	106.3	108.5	104.3
1972	111.5	115.8	115.8	112.0	111.4	113.5	117.3	115.8	112.9	112.8	112.3	114.6	113.8
1973	122.1	130.3	135.3	136.0	136.0	135.5	136.3	144.2	144.9	136.0	134.9	134.4	135.5
1974	143.0	150.0	142.2	136.4	135.0	132.2	137.9	143.4	141.6	136.8	134.4	132.2	138.8
1975	132.8	129.0	127.0	133.9	147.8	157.8	161.0	155.5	152.8	152.4	151.2	150.6	146.0
1976	148.6	142.7	135.1	142.0	141.7	140.8	138.2	135.8	134.3	133.5	135.7	138.9	138.9
1977	137.5	134.6	133.2	134.0	138.4	137.4	138.3	139.2	138.9	141.5	141.9	144.8	138.3
1978	148.2	151.2	154.6	162.9									
							Veal, retail cuts						
1969	102.5	103.7	104.6	107.5	108.6	112.5	114.0	115.0	115.1	115.2	114.6	116.3	110.8
1970	117.2	119.3	120.8	123.3	123.9	124.9	125.7	126.6	127.0	127.4	127.6	127.9	124.3
1971	128.9	129.4	130.6	132.9	133.7	134.8	138.5	139.3	139.6	140.3	140.6	140.9	135.8
1972	142.8	148.6	149.7	151.0	151.7	154.2	156.4	157.3	157.6	158.4	159.4	159.9	153.9
1973	162.2	169.1	176.9	180.5	181.1	181.3	183.2	188.7	188.5	190.6	186.2	191.6	181.7
1974	194.5	198.4	199.1	194.8	193.3	193.7	192.4	194.8	196.1	192.4	189.1	190.6	194.1
1975	187.0	183.5	179.6	180.2	182.9	183.1	186.6	181.6	178.2	176.8	176.7	177.4	181.1
1976	174.4	173.7	173.3	171.7	173.9	177.2	176.5	175.4	172.9	170.4	170.1	169.8	173.3
1977	176.7	179.3	177.0	178.6	178.5	179.7	180.0	181.9	181.5	180.5	184.9	184.5	180.3
1978	176.5	180.3	183.0	186.0									
							Pork						
1969	67.9	68.6	69.0	69.1	71.6	75.0	76.9	78.3	78.9	78.7	78.1	79.7	74.3
1970	82.1	81.8	81.4	79.9	80.0	80.0	80.6	79.7	76.7	74.6	70.8	68.4	78.0
1971	68.4	69.4	69.9	68.7	68.2	69.6	71.4	71.6	71.0	71.3	71.4	72.9	70.3
1972	76.3	81.3	79.4	78.2	79.4	82.0	85.6	86.0	86.6	87.5	87.2	88.5	83.2
1973	94.1	97.1	103.0	102.7	102.4	104.1	107.5	131.5	126.3	117.1	115.4	115.8	109.8
1974	116.7	117.2	111.8	104.7	99.4	93.7	103.7	108.7	109.9	109.0	111.4	112.7	108.2
1975	114.9	114.8	113.6	115.7	123.0	130.5	143.7	150.2	153.8	158.7	154.0	147.5	135.0
1976	144.2	141.6	138.7	136.6	138.6	140.4	142.1	137.4	132.7	124.8	117.5	117.2	134.3
1977	119.6	121.1	121.0	118.9	120.9	125.7	132.1	130.3	130.8	126.9	127.5	130.6	125.4
1978	133.8	138.4	139.4	140.9									
							Lamb, Choice grade						
1969	94.5	95.9	96.4	97.1	100.1	101.8	104.4	102.9	103.4	103.9	103.7	104.8	100.7
1970	104.8	104.8	104.7	105.6	103.9	105.7	106.0	106.3	106.3	105.9	105.9	106.4	105.5
1971	105.9	106.5	107.0	107.4	108.0	109.6	111.4	111.5	112.6	110.9	112.7	113.0	109.7
1972	113.0	115.3	115.5	116.0	115.7	119.0	121.2	121.5	121.0	121.5	122.5	123.7	118.8
1973	125.6	130.2	136.1	135.5	134.2	132.2	133.4	140.4	145.4	135.2	131.3	131.7	134.3
1974	132.6	138.2	141.9	141.3	141.8	144.4	151.4	151.5	154.1	151.8	152.2	155.9	146.4
1975	156.0	157.1	154.5	158.2	164.2	169.2	174.9	173.5	175.7	175.0	176.5	177.0	167.6
1976	178.3	178.3	181.8	184.0	189.0	194.1	193.6	191.2	185.7	184.9	183.6	182.6	185.6
1977	181.4	182.9	181.3	178.5	183.6	188.7	192.8	193.2	188.6	189.5	193.9	190.1	187.0
1978	199.8	206.8	214.0	220.3									

[1] Estimated weighted average price of retail cuts. Compiled by Economics, Statistics, and Cooperatives Service from BLS data.

Table 9— Average retail price of specified meat cuts, per pound, by months, 1973 to date

Year and item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
						Cents						
Beef:												
Porterhouse steak												
1973	187.7	197.1	201.4	204.4	204.1	206.4	207.7	216.7	216.3	207.6	202.4	200.2
1974	201.3	214.7	211.5	206.0	204.1	206.6	205.8	220.2	226.6	216.4	212.0	207.8
1975	204.6	203.7	199.1	203.9	224.2	249.1	269.6	264.7	260.3	261.1	253.8	252.6
1976	253.7	241.4	235.0	227.9	242.3	243.3	246.6	238.2	238.8	232.0	230.9	234.2
1977	234.0	226.7	226.7	230.5	233.6	249.9	251.9	244.6	251.8	242.4	247.3	249.9
1978	246.3	250.7	249.4	263.0								
Round steak												
1973	155.9	167.8	174.6	174.8	173.8	173.9	176.3	187.7	188.5	175.8	174.7	171.4
1974	176.7	193.4	187.3	178.8	175.6	174.9	174.0	182.9	185.9	178.7	177.8	171.0
1975	172.9	171.5	167.9	171.0	186.7	198.9	207.7	202.2	193.7	199.2	195.5	194.6
1976	197.0	185.7	180.4	176.2	179.6	177.5	180.1	174.5	175.0	168.8	172.0	173.1
1977	174.0	174.4	174.7	175.6	176.9	174.6	174.1	174.6	175.4	177.6	179.6	181.7
1978	184.0	187.5	190.2	196.1								
Rib roast												
1973	137.2	142.3	148.6	150.9	152.4	153.4	154.4	160.1	161.5	157.8	154.5	153.8
1974	154.8	163.4	159.8	154.7	153.3	152.0	152.1	160.1	168.6	164.5	159.7	158.6
1975	160.7	157.3	154.9	155.9	167.8	184.0	206.2	200.3	194.4	191.8	189.6	192.2
1976	192.2	182.9	175.7	171.7	179.6	178.8	178.5	175.7	173.9	171.4	171.2	176.8
1977	182.0	178.9	175.7	171.5	178.6	182.4	184.6	184.7	183.4	183.9	187.4	192.2
1978	199.4	197.1	197.9	206.3								
Rump roast												
1973	153.7	164.4	169.5	169.8	169.7	170.2	171.6	181.7	182.3	172.1	170.8	167.3
1974	171.8	186.9	182.0	174.8	172.2	171.6	170.5	177.2	180.8	174.3	174.5	169.9
1975	169.3	169.6	167.1	169.6	182.4	191.5	199.8	196.6	187.7	193.7	188.5	187.5
1976	191.2	181.8	177.0	173.7	174.7	170.4	175.7	168.8	172.9	167.8	168.0	173.0
1977	173.1	169.6	170.4	168.0	168.8	171.1	166.3	169.7	169.7	168.5	171.5	174.8
1978	175.4	180.1	183.6	185.7								
Chuck roast												
1973	85.3	96.1	100.6	103.3	103.6	103.3	103.9	114.2	115.0	106.3	101.8	100.5
1974	101.0	114.7	113.0	102.7	97.4	95.0	95.4	102.2	105.0	101.2	99.5	98.2
1975	91.5	92.1	90.6	90.9	100.7	107.6	116.8	112.5	107.7	108.2	107.3	107.6
1976	103.5	102.0	99.2	92.5	99.7	98.8	99.1	94.9	94.6	94.1	92.7	92.0
1977	91.0	93.0	91.5	92.5	91.6	92.5	91.5	91.3	89.6	91.3	94.0	94.2
1978	105.3	102.5	105.0	110.7								
Hamburger												
1973	78.2	83.9	91.3	94.2	94.6	95.3	94.8	103.8	106.2	104.2	101.5	100.4
1974	102.6	109.5	108.4	101.2	97.1	95.2	90.5	94.8	96.4	93.0	89.7	87.5
1975	85.4	82.8	80.5	80.5	86.7	90.6	93.8	92.7	90.1	90.8	90.4	88.8
1976	89.3	87.7	86.4	85.6	90.4	90.0	88.9	88.8	86.9	85.7	85.9	85.0
1977	85.4	85.4	84.9	85.1	86.5	85.8	84.9	85.2	84.2	85.1	85.6	86.9
1978	91.0	92.9	97.5	102.6								
Veal Cutlet												
1973	284.6	295.7	308.5	314.0	314.1	313.5	315.9	324.6	323.4	326.2	327.4	326.0
1974	341.3	348.4	350.2	343.1	340.9	342.0	340.2	344.8	347.5	341.6	336.2	339.2
1975	328.1	323.0	317.2	319.2	325.1	326.4	333.5	325.9	320.9	319.5	320.4	322.7
1976	306.0	304.7	303.8	300.9	304.6	309.6	308.9	306.9	302.4	297.8	297.2	296.5
1977	310.0	314.5	310.5	313.3	313.2	315.3	315.8	319.1	318.5	316.6	324.3	323.6
1978	309.6	316.4	321.0	326.3								
Pork:												
Chops												
1973	139.5	147.7	154.2	145.0	147.0	150.0	152.1	196.5	169.8	157.9	157.6	153.4
1974	162.7	164.0	158.5	149.7	143.7	139.8	153.9	158.9	164.5	161.9	161.2	159.0
1975	160.7	161.4	161.1	161.4	167.2	183.3	204.1	203.9	205.7	211.0	207.2	199.9
1976	190.2	192.8	191.8	184.8	187.1	192.2	194.9	191.9	184.8	174.9	170.3	161.6
1977	171.5	183.1	177.7	175.6	173.7	179.1	186.8	189.3	188.6	184.5	185.2	179.4
1978	189.2	194.0	193.9	195.7								
Roast, loin												
1973	99.3	105.5	111.9	109.5	108.7	110.1	111.7	151.5	131.3	120.7	119.7	116.9
1974	122.9	123.9	121.1	111.7	107.5	102.9	113.3	117.6	121.6	119.8	119.1	117.2
1975	121.1	120.4	120.0	119.8	125.0	138.6	156.1	155.9	158.7	162.9	160.4	157.0
1976	149.8	151.2	150.0	142.4	146.0	146.7	150.2	148.4	142.6	135.1	129.6	121.5
1977	126.9	135.1	131.6	131.1	128.0	134.4	141.0	142.1	140.9	139.7	139.8	137.2
1978	144.6	149.3	150.0	151.8								
Bacon, sliced												
1973	107.3	114.7	118.1	121.6	119.5	121.2	123.1	161.0	166.4	152.8	142.9	141.4
1974	139.1	143.4	137.1	124.8	118.1	109.7	108.9	132.6	140.6	141.6	143.8	144.2
1975	147.1	147.8	149.2	147.9	157.7	165.5	177.9	192.0	211.3	216.1	204.5	190.1
1976	176.7	176.1	170.4	170.3	174.4	175.8	182.1	181.8	179.5	168.6	154.3	143.7
1977	144.2	149.7	151.7	148.0	152.4	155.8	158.0	168.3	169.8	164.6	157.8	154.0
1978	158.0	169.0	177.8	187.9								
Ham, whole												
1973	92.0	91.0	94.8	99.7	98.4	97.8	98.2	121.7	126.0	115.3	117.0	122.2
1974	121.3	115.9	114.2	108.9	97.3	92.6	89.9	99.0	101.1	102.7	108.8	113.8
1975	114.7	109.9	110.5	109.9	109.0	114.5	120.0	125.6	131.5	144.7	147.9	148.5
1976	152.0	142.9	140.0	139.4	137.9	137.3	138.5	137.1	132.8	130.8	124.7	129.5
1977	135.4	128.9	129.5	122.9	124.7	125.3	127.7	126.9	127.8	129.7	134.9	143.9
1978	143.6	138.6	141.1	139.4								
Lamb Chops												
1973	205.3	218.1	225.5	227.5	226.6	224.5	228.8	241.4	240.8	227.1	223.4	230.1
1974	209.2	216.3	219.7	213.2	213.0	222.9	225.7	226.1	226.2	223.2	224.5	227.3
1975	252.1	254.8	255.3	256.2	264.4	275.3	280.4	282.3	283.3	282.9	283.2	283.4
1976	282.5	281.3	279.9	287.4	302.1	309.4	309.3	305.6	293.0	291.0	289.0	285.7
1977	290.3	298.3	296.3	294.0	301.5	306.8	312.5	313.1	308.7	308.7	313.8	312.6
1978	327.5	335.2	347.4	354.1								

Data from the Bureau of Labor Statistics.

Table 10—Meat imports: United States by countries, 1968 to date

Product and year	Imports, by country of origin, product weight												Total imports	
	Canada	Mexico	Ar-gentina	Brazil	Den-mark	West Ger-many	Poland	Nether-lands	Ireland	Aus-tralia	New Zea-land	All other	Product weight	Carcass weight equiva-lent
	Million pounds													
Beef and veal:														
1968	46.7	65.6	132.6	31.6	.1	(1)	.1	(1)	56.7	444.2	203.1	147.3	1,128.0	1,518
1969	44.0	66.5	130.0	34.3	.2	(1)	(1)	(1)	66.0	491.1	223.7	160.8	1,216.6	1,640
1970	80.6	78.6	141.1	28.8	.4	(1)	(1)	(1)	69.0	535.8	241.6	174.2	1,350.1	1,816
1971	80.1	79.1	88.4	63.0	2.2	(1)	(1)	(1)	64.0	505.4	241.8	186.7	1,310.7	1,756
1972	59.6	81.9	94.1	48.0	2.4	.2	---	(1)	31.1	674.7	266.4	222.5	1,480.9	1,996
1973	56.3	67.0	81.5	46.2	2.2	1.2	---	(1)	22.0	697.9	291.3	231.1	1,496.7	2,022
1974	36.9	38.8	89.0	39.5	2.7	.7	---	(1)	44.0	514.3	259.9	192.1	1,217.9	1,646
1975	21.4	29.8	56.2	34.9	2.9	.1	---	---	6.8	681.2	276.8	204.6	1,314.7	1,782
1976[3]	84.4	52.3	95.0	73.0	3.0	.3	---	---	4.5	675.5	270.9	223.2	1,482.1	2,095
1977[3]	76.7	59.8	80.3	58.6	2.2	(1)	---	---	---	646.3	272.2	200.8	1,396.9	1,963
Lamb and mutton:														
1968	(1)	---	---	---	---	---	---	---	---	71.2	13.5	.2	84.9	147
1969	.7	---	---	---	---	---	---	---	---	73.9	23.4	.1	98.1	153
1970	.6	---	---	---	---	---	---	---	---	60.1	22.2	.1	83.0	122
1971	(1)	---	---	---	---	---	---	---	---	58.0	12.4	.1	70.5	103
1972	.3	---	---	---	---	---	---	---	---	72.4	20.1	.1	92.9	148
1973	.1	.3	---	---	---	---	---	---	---	17.8	21.9	.2	40.3	53
1974	(1)	1.6	---	---	---	---	---	---	(1)	6.6	13.4	.1	21.7	26
1975	---	---	---	---	---	---	---	---	---	5.5	19.5	.7	25.7	27
1976[3]	(1)	---	---	---	---	---	---	---	---	7.3	27.2	.7	35.2	36
1977[3]	---	---	---	---	---	---	---	---	---	3.8	17.1	.9	21.8	22
Pork:[4]														
1968	55.5	(1)	(1)	.1	111.9	1.4	55.1	82.2	.3	(1)	(1)	17.6	324.1	462
1969	49.9	(1)	.1	(1)	108.6	1.8	53.6	85.6	.2	.2	(1)	15.5	315.5	450
1970	63.2	(1)	(1)	---	120.6	1.4	56.0	86.7	.1	.3	(1)	19.3	347.6	491
1971	69.4	---	(1)	---	128.1	1.7	54.9	82.5	.1	.3	---	19.5	356.5	496
1972	67.5	4.0	(1)	---	151.8	1.2	66.6	75.3	.2	.4	.1	27.6	394.7	538
1973	68.2	---	---	---	138.7	1.2	61.4	93.9	.2	2.2	.1	32.6	398.5	533
1974	53.7	---	---	.1	122.0	1.0	64.2	78.8	.5	.2	.2	41.3	362.0	488
1975	37.3	---	(1)	---	91.1	.7	80.3	70.0	.2	.1	(1)	47.4	327.1	439
1976[3]	28.8	---	---	---	87.2	1.1	82.3	54.8	.6	(1)	---	62.7	317.5	469
1977[3]	30.6	---	---	.1	91.0	1.3	75.1	33.5	(1)	.2	---	66.6	298.4	439
Total:[2]														
1968	102.3	65.6	132.8	31.7	127.6	2.2	55.9	82.4	57.0	515.8	216.7	166.6	1,556.6	2,127
1969	94.6	66.5	130.3	34.3	126.8	2.7	54.1	85.8	66.2	566.5	247.2	178.0	1,653.0	2,243
1970	144.6	78.6	141.1	28.8	144.3	2.3	56.2	88.1	69.1	597.3	264.0	195.3	1,809.7	2,429
1971	149.5	79.1	88.5	63.0	148.8	2.4	55.0	83.4	64.1	564.3	254.2	207.7	1,760.0	2,355
1972	127.5	85.9	94.2	48.0	172.1	2.2	66.7	75.7	31.3	747.9	286.7	251.7	1,989.9	2,682
1973	125.1	67.3	81.5	46.2	155.2	2.9	61.8	94.0	22.2	718.5	313.2	265.8	1,953.7	2,607
1974	91.0	40.4	89.0	39.6	136.4	2.2	64.6	79.0	44.6	521.5	273.5	235.4	1,617.2	2,160
1975	59.1	29.8	56.2	35.1	101.0	1.1	84.4	70.3	7.0	687.0	296.5	254.2	1,681.7	2,248
1976[3]	113.8	52.3	95.0	73.0	98.0	1.7	84.1	55.0	5.1	683.2	298.1	289.0	1,848.3	2,600
1977[3]	108.4	59.8	80.4	58.7	100.4	1.5	75.1	34.0	(1)	650.3	289.2	270.6	1,728.4	2,424

[1] Less than 50,000 pounds. [2] Includes quantities of other canned, prepared or preserved meat n.e.s. [3] Preliminary. [4] Due to revisions in pork series to carcass weight.

Compiled from official records of the Bureau of the Census.

COSTS OF PRODUCING FEEDER CATTLE IN THE UNITED STATES, 1976—PRELIMINARY ESTIMATES

by Ronald A. Gustafson, Henry C. Gilliam Jr., and Calvin C. Boykin Jr.*

ABSTRACT: Preliminary estimates of costs of producing feeder cattle in 1976 are presented for five regions and the United States. These cost estimates, listed by cost item, are separated into cash and noncash components. Land allocations and charges will be treated more fully in an expanded regional and subregional analysis to be published as a Senate Committee print at a later date.

KEYWORDS: Feeder cattle, cost of production, cattle raising, Firm Enterprise Budgets, decision framework.

Considerable variability exists in the types and sizes of beef-cattle-raising enterprises in the United States. Variability is due to the nature and level of resources used and differences in management practices associated with resource allocation.

Detailed cost budgets are being developed to represent the major producing systems characterized by differences in soil and vegetative types, climate, topography, and farming and ranching practices. These characteristics, plus relative size of livestock inventories, were used to define geographic regions (figure 1) where input-output relationships and resource requirements are relatively similar. Factors such as the types, amounts, and seasonality of forages grazed, supplemental feeding practices, and timing of production in cow-calf and cow-yearling systems were also considered in delineating the cattle-raising subregions. Approximately 98 percent of the beef cows in the Nation are included in the five regions—the Southeast, Southwest, West, Great Plains, and North Central regions.

A sample of producers in each region was interviewed in the spring of 1976 to determine production practices and inputs used in producing feeder cattle for 1975. Forty-two tentative enterprise budgets were developed for selected typical cattle-raising situations. The budgets were based primarily on input-output data from the survey and on published USDA price data. They were compiled on the ESCS Firm Enterprise Data System (FEDS).[1] Weighted averages of production costs from these budgets were used to estimate the national and regional costs of beef-cattle raising discussed in this report.

These cost of production estimates are preliminary because they are based on budgets for only part of the production systems and enterprise sizes that contribute significantly to the overall supply of feeder cattle in the various subregions and regions. Additional budgets are being developed to provide greater delineation of cost by production system and enterprise size within and between subregions and regions. These additional budgets and possible revisions to the budgets summarized in this report will provide the basis for final cost estimates for 1977, preliminary 1978 estimates, and projected costs for 1979 which will be filed with the Senate Agriculture Committee later

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[1]A computerized livestock budget generator and aggregation routine operated by ESCS personnel at Oklahoma State University to service a series of computerized enterprise budgets, which are collectively termed the Firm Enterprise Data System, was used to calculate and average the cattle-raising budgets. The budget generator computes detailed costs from price and input quantity data supplied by researchers or stored as parameters in the computer program.

this year for publication as a committee print. Subregional and size data will also be provided in the expanded report, which will include an analysis of the allocation and charges for land used to support the beef-raising enterprises.

Cost Analysis Framework

Producer decisionmaking and, consequently, analyses of supply response involve many planning situations, ranging from day-to-day problems to long-range adjustments. No single cost of production estimate can apply to all questions that involve cost. Detailed cost information in the tables that follow has been designed to provide flexibility in selecting and/or combining those cost items which apply to specific problem situations. Cash and noncash components of costs are presented in typical groupings to permit estimation of relevant costs applicable to a wide range of decision settings.

National and regional feeder cattle production costs per cow and per hundredweight of feeder animal sold are presented in tables 1-6. The cost estimates represent the production costs, in total and by specific categories, that would have been faced by an average producer whose costs are based on investments for land, machinery, buildings, equipment, and facilities at average date of acquisition. The cost of production survey for 1975 indicated that, on the average, machinery and equipment used in cow-calf and cow-yearling production were purchased new in 1965, and that the average construction date of buildings and facilities was 1957.

Production Levels

In 1975, according to the cost of production survey, approximately 73 calves were weaned per 100 breeding-age beef cows and heifers in inventory January 1. This production figure is based on a weighted average calving rate (calves born as a percentage of beef cows and heifers bred) of 78 percent[2] and a calf loss rate prior to weaning that averaged 6.4 percent of the calves born in all regions. Replacement of cows that died or were culled during the year required an average retention of 17 heifer calves per 100 cows. Therefore, 56 calves were available for sale as feeder calves and yearlings per 100 cows and heifers. Based on these data and the average sale weight of feeder animals reported in the survey, 1976 feeder calf and yearling sales per cow in the inventory averaged 284 pounds in all regions combined. (Average feeder cattle sales weights per cow in the inventory by region are listed in footnote 1 of table 1.)

Feeder cattle are the primary product in cow-calf and cow-yearling enterprises, with culled breeding stock representing a secondary joint product. To isolate the costs of producing feeder cattle, estimated receipts from the sale of cull breeding stock, averaging $34.56 per cow in inventory, were deducted from total and cash components of enterprise costs. These adjusted costs, divided by the pounds of feeder animals sold, represent the cost per hundredweight of feeder cattle sold. (Adjusted cull values by region are listed in tables 1-6.)

Direct Costs

Direct costs include costs of all input items—feed, veterinary charges, energy, repairs, hired labor, etc.—that vary with the level of feeder cattle production plus a proportionate share of the general farm overhead expenses. Producers with resources already committed to raising beef cattle, or with cattle as a minor enterprise that is not expected to cover all costs, are primarily concerned with direct costs.

Total direct costs (cash and noncash items) of raising feeder calves and yearlings in the United States in 1976 are estimated to have been $112.78 per cow, or $39.71 per hundredweight of feeder animal sold (table 1). These costs are reduced to $78.22 and $27.54, respectively, when the cull-cow credit is included. This component of costs that normally determines shortrun supply response amounts to almost 54 percent of estimated total nonland costs, excluding the cull credit.

Feed costs, $70.11 per cow, comprise almost two-thirds of total direct costs. The costs of grazed forages (private pasture, range, and public grazing) and harvested forages (hay and silage) dominate the feed costs. However, the relative importance of forages is not fully reflected in the feed cost data, because investment costs for the forage land are not included in the forage cost estimates. In the feed cost component, private pasture and range costs include only the costs of improvements, such as seeding, fertilization, and brush and weed control; no direct costs are applicable to crop residues or unimproved private range that was grazed in some regions. Likewise, costs for hay and silage harvested from land operated by the cattle-raising enterprise are based on costs of production, exclusive of imputed land charges. By contrast, the costs of grain, other concentrates, and protein supplements involve market prices that tend, at least over time, to reflect total production costs including land.

Other direct costs amount to $42.67 per cow. They include costs of veterinary services and

[2]This computation is based on cows and yearling heifers in the breeding herd on January 1. Consequently, this calving percentage figure is lower than alternative figures based only on cows that had calved on January 1, which omits heifers in the breeding herd that will calve during the year but had not calved prior to January 1.

medical supplies; hired livestock hauling; marketing commissions and fees; fuels, lubricants, and electricity; machinery and building repairs; hired labor; interest; and overhead. Note that the value of operator and family labor, although computed at the applicable hired farm labor wage rates, is not considered a direct cost because the value of this labor is normally included in residual "returns." Thus, only one-fourth of the total labor constitutes a direct cost.

General farm overhead and interest on operating capital comprise $11.52 of the direct costs per cow. These costs may or may not vary with changes in the operating level of the cattle-raising enterprise. Most of the direct production costs other than forages require cash outlays as indicated in the cost budgets. Interest on this operating capital was calculated using the 1976 Production Credit Association (PCA) interest rate in each of the areas represented and the average time that each input was tied up in cattle raising.

The proportionate share of general farm overhead chargeable to the cattle-raising enterprise was set at 5 percent of total feed, other production items, hired labor, and operator and family labor costs. This cost includes items not directly chargeable to any specific enterprise such as telephone, road maintenance, service buildings, organization membership expenses, and accounting fees. It is possible that this charge might change very little on multi-enterprise farms, even if the cattle enterprise were discontinued. However, the cattle-raising enterprise was charged a proportionate share of such costs.

Ownership Costs

Ownership costs include depreciation, interest, taxes, and insurance (DITI). Repairs are included in direct costs. Cash costs, consisting of personal property taxes and insurance premiums on machinery and equipment used in raising feeder cattle, constituted less than 6 percent of total ownership costs. Noncash replacement charges and interest on investment in machinery, equipment, buildings, and facilities (including feed storage and livestock shelter buildings, fences, corrals, stock water facilities and other equipment), based on average acquisition dates, represented nearly 35 percent of the total ownership costs. Interest on investment could be either a cash or noncash cost. For this analysis, all interest (except that on operating capital) was placed in the noncash column of the budget, implying full operator equity for depreciable assets. Debt-equity ratios are not available. Cash and noncash livestock DITI, averaging nearly $29 per cow in 1976, accounted for the remaining 59 percent of ownership costs. A large part of the livestock ownership costs is interest on the 1976 investment value of the breeding herd. Depreciation charges for herd bulls, and where applicable saddle horses, are other components of livestock ownership costs. No depreciation is charged on the value of brood cows or replacement heifers, based on the assumption that they are raised in the feeder cattle operation and cull breeding stock sales are credited to the enterprise.

Other Specified Costs

Operator and family labor were cited as an implicit noncash cost, charged at the existing regional rate used for hired labor. A management charge, computed at 7 percent of total nonland costs, also represents an indirect noncash cost, as most of the management input in feeder-cattle raising is supplied by the operator. Land taxes, a cash cost, add $12.27 per cow to production costs. These three cost items add nearly $50 per cow to the production costs, but only 25 percent of this charge is cash costs.

Operator and family labor, management charges, land charges, and other noncash costs are often treated as claimants of the residual returns after all cash costs are paid. Internal labor and management charges can be approximated by using rates comparable with fees charged in other industries. Comparable land charges do not exist; consequently, the land issue is treated separately from the other specified cost items.

Cost Settings

Three decision settings are presented to aid in demonstrating that all costs are meaningful only in the long run. These cost settings differ by the importance of the cow-calf enterprise in relation to other enterprises and the applicable time horizon for production planning.

Consider first a shortrun decision framework on a farm or ranch where the cow-calf enterprise is a small supplementary contributor to the primary crop or other livestock enterprises. The cattle use residual land and crop residues. In this situation, applicable total production costs were estimated at $20.78 per hundredweight of feeder animal sold (table 1).

Relevant costs are cash expenses for feed, "other production items," hired labor, and interest on operating capital minus a cash credit of $34.50 per cow ($12.17 per hundredweight of feeder animal sold) from sale of cull breeding stock. If the operator had adequate cash reserves to finance variable input purchases, interest on operating capital could also be ignored. Costs for farm overhead, buildings and equipment, family labor, and taxes are attributed to other enterprises, given the supplementary nature of the feeder cattle enterprise.

A second decision setting involves the same shortrun planning horizon but with the cow-calf enterprise as the primary or sole enterprise. In this setting, all cash costs must be met. In addition, funds must be available to support the family through operator and family labor and management charges. Cash charges, after deducting the cash cull cow credit, were $28.34 cents per hundreweight of feeder animal sold. However, the addition of noncash costs—$13.27 per hundredweight—increased total shortrun breakeven costs to $41.61 per hundredweight.

Weighted average feeder cattle prices were $35.27 per hundredweight in 1976. Economic principles dictate continued production in the short run if cash costs are covered. Cash costs are covered in both decision settings as outlined above. However, family needs are only partially met if cow-calf production is the only enterprise. This decision principle helps explain why supplemental cattle enterprises continued full production and those with larger units cut back (additional cull sales helped meet family living costs), but still maintained much of their production even in a year of low prices.

Decision setting three assumes a longrun planning horizon where feeder calf production is the primary enterprise. Cash costs are the same as in the second decision setting. Extension of the planning horizon results in an increase in relevant average total production costs for the ongoing producer, because more of the categories of costs that are fixed in the short run become variable and payable over time. Over the period assumed, all costs—cash and noncash—must be considered. Operators must now consider machinery, equipment, buildings and facilities in the same decision framework as a prospective new entrant. Consequently, all of the depreciation and interest charges must be included to permit eventual replacement of these capital items.

Addition of the full $33.82 noncash charge increases total breakeven charges to $62.16 per hundredweight of feeder calf sold. Feeder cattle prices in recent years have been well below the estimated 1976 total nonland production cost. Why, then, has there not been an even greater decline in production?

In the short run, continued production is economic if expected returns provide any revenue above cash cost that can be used to even partially offset fixed costs of past investments in machinery, buildings, livestock, and land. Over the longer run, appreciation in land value is an important planning consideration. Thus, the expectation that rapid appreciation in ranch and farmland values will continue may provide a strong incentive for current producers to hold land and to continue producing feeder cattle if long-term prospects for cattle raising appear favorable. Incentives for new entrants, at full 1976 costs, are less favorable, particularly when principal and interest payments on the land investment must be met.

Land: A Cost or a Source of Capital Gains

Land charges represent a perplexing aspect of cost of production analysis for any commodity. Land is a capital expenditure that must be paid. However, in the 1970's, land has been a major source of capital gains and a hedge against inflation. For the ongoing operator, as net worth increases through land appreciation, his capacity to borrow and/or expand is increased and the capital gains can be earned upon sale of the land. This issue is further intensified in a land-extensive enterprise such as feeder cattle production. For the past several years, land value appreciation, not net income, has been the primary economic incentive for feeder cattle producers. Producer-operated land values for all regions in 1976 averaged $2,375 per cow. Land values per cow were lower in areas where public lands provide more grazing and in the humid areas where fewer, though more expensive, acres per cow were utilized. Land values per cow were highest in the Southwest where the most extensive land base was provided.

Land value and appreciation rates indexed from the new entrant 1976 COP values, all regions, 1970-77

Year	Index	Land value per cow unit	Appreciation
		Dollars	*Percent*
1970	117	1,146.71	4.27
1971	122	1,195.72	8.20
1972	132	1,293.73	13.64
1973	150	1,470.14	24.67
1974	187	1,832.78	13.90
1975	213	2,087.60	13.62
1976	242	2,371.83	16.94
1977	283	2,773.67	9.00

Land values have increased sharply in the last 5 years, while returns from feeder calf production have been reduced due to cyclical over-expansion. Annual land value appreciation from 1972 to 1976 has varied from 13 to almost 25 percent. Land values per cow, indexed from the 1976 survey findings, have more than doubled since 1970. The cost of production survey revealed that more than 86 percent of the land owned by cow-calf and cow-yearling operations was acquired prior to 1971. While actual information is not available on acquisition dates or debt load, data are available which indicate that slightly less than 3 percent of the

U.S. farmland acreage is sold each year. Consequently, an average land value during the period 1942-1976 of 31.8 percent of the 1976 value is used to estimate the average ongoing feeder cattle producer's land cost. The investment in land for this average ongoing producer in 1976 was $755 dollars per cow unit versus $2,375 cost for the new entrant.

Profitability

In 1976, the all-regions weighted average Choice grade feeder cattle price was $35.27 per hundredweight. This price reflects average weight and sex composition of the feeder cattle available for sale in the subregions and the months during which most sales occur, as indicated by the cost of production survey.

Even with the low returns of 1976, all cash costs were met, with additional returns available to offset some noncash costs. However, sufficient funds were not available to cover operator and family labor nor management charges. Returns failed to cover total breakeven costs by $26.89 ($35.27-$62.16) per hundredweight sold after subtracting the cash credit for cull cows.

Land charges and appreciation remain to be considered. In 1976, no return to land was realized from the cow-calf enterprise. In other years, feeder calf prices would have to exceed $62.16 (in terms of 1976 dollars) before the feeder calf enterprise would yield a return to land investment. Thus, in many years land appreciation is the only source of return to land investment.

Farms and ranches where feeder cattle production is the primary enterprise, or in any case where the full cost of production must be paid, have had a cash flow problem in meeting cost of living needs and servicing any remaining land debt. Full 1976 land charges further raise the issue of incentive for new entrants if the debt load is to be serviced and cost of living needs met. Land appreciation since 1970 has been a most attractive aspect of the land and cattle investment, but cash flow requirements must be met in the short run to reap the potential longrun capital gains.

Regional Cost Variation

Production costs estimated in this analysis varied considerably from region to region because of differences in the types, quantities, and prices or values of resources used in production and in the production rates and mixes. For instance, variation in calf birth and death rates, brood cow replacement rates, and the age and weight at which feeder cattle are sold all influence production per cow. In addition, the cash cull-cow credit varies regionally because of differences in cow culling rates, average cull weights, and cull cow prices. Average weights of feeder cattle sold and cull-cow values per cow in the herd are listed in tables 2-6.

Some costs vary sharply between regions while others such as veterinary services, marketing costs, and custom livestock hauling charges per cow exhibited little variation. Feed and land charges showed the greatest variation among regions. However, many regional variations tend to be offsetting.

Total direct costs per cow, primarily a cash cost, ranged from a high of $130.55 in the Southeast to a low of $93.97 in the Southwest. Feedstuff costs are the primary component of direct costs. The high costs in the Southeast are attributable to pasture production charges which are high, primarily because of relatively heavy use of commercial fertilizer. While the Southeast's direct charges are high compared to the Southwest's, the lower land base necessary per cow more than offsets the Southwest's direct cost advantage.

Total nonland costs exceeded the prices received by the average producer in every region in 1976. However, feeder cattle prices were greater than either total direct or total cash costs per hundredweight of feeder cattle sold, providing some returns to be allocated to fixed costs in all regions except the Southeast. Under such circumstances, cattle raisers may continue production over the useful life of their capital facilities. Much of the production in the Southeast is comprised of smaller herds on mixed-enterprise farms and ranches. In this situation, which is illustrated by the supplementary shortrun cost setting, the direct cash costs of the feeder cattle enterprise were more than covered by feeder cattle sales. Feeder cattle production typically occurs on acreages with few alternative uses. Coverage of direct cash costs with a residual to cover the remaining cash costs such as land taxes, which are incurred regardless of land use, encourages continued production.

Private land values in 1976 averaged $2,375 per cow for the new entrant in all regions. Land values per cow for ongoing operations were assumed to be 31.8 percent of the corresponding 1976 land values—$755 per cow. Land values per cow for new entrants and ongoing operations in 1976 by region were respectively: North Central—$2,446 and $778; Southeast—$1,800 and $572; Great Plains—$1,500 and $477; Southwest—$3,868 and $1,230; and West—$1,450 and $461. An extensive acreage of rangeland per cow results in sharply increased costs in the Southwest. However, land charges per cow vary more within many of these regions than among regions.

Addition of a land charge would increase costs substantially; however, a land appreciation credit could be considered as an offsetting receipt.

Major Beef Cattle Regions in the United States

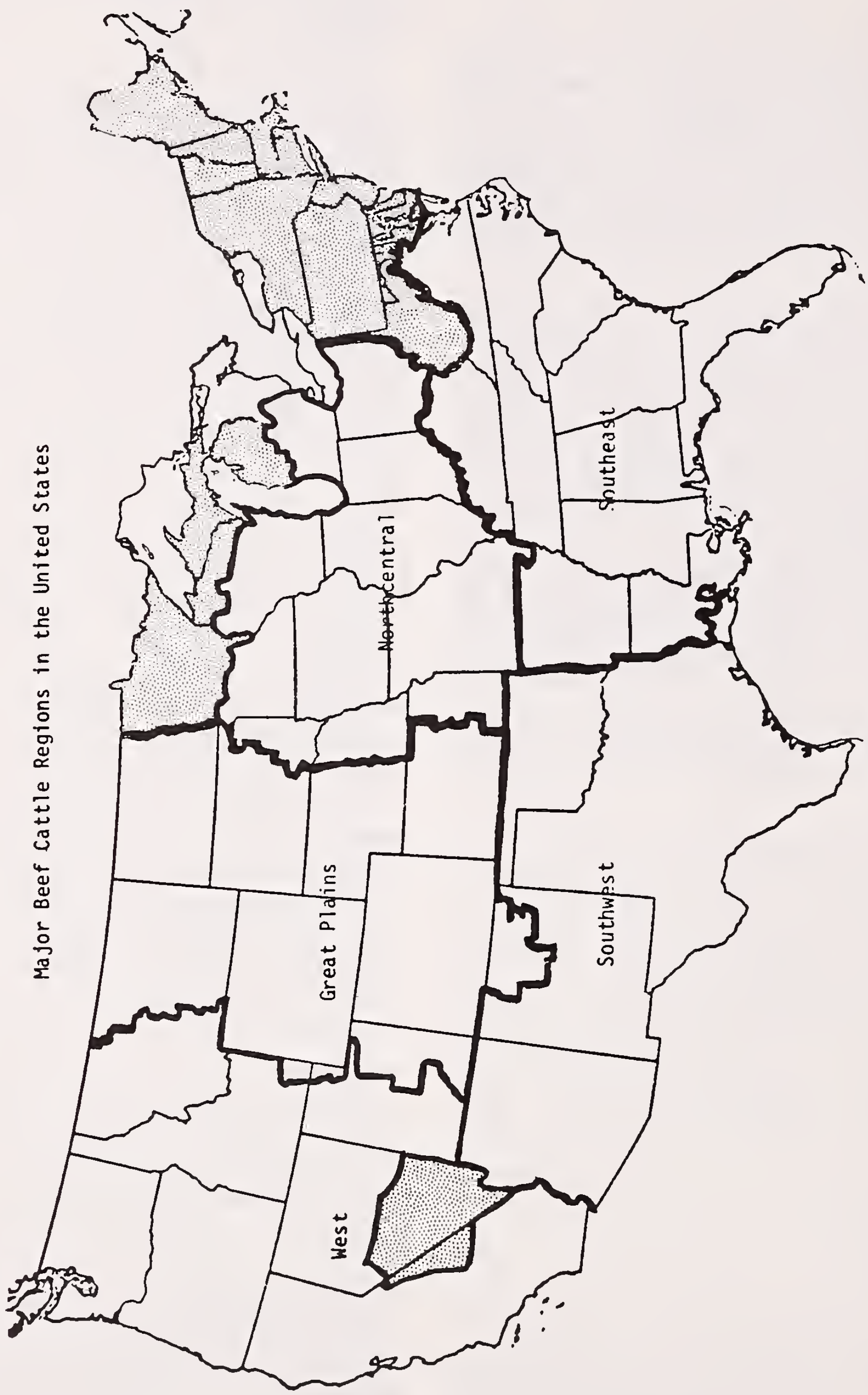

Figure 1

Table 1--Costs of raising feeder cattle 1976, all regions

Item	Costs per cow			Costs per cwt. feeder sold 1/					
				Supplementary enterprise short-run		Primary enterprise short-run		Primary enterprise long-run	
	Cash	Noncash	Total	Cash	Noncash	Cash	Noncash	Cash	Noncash
	Dollars								
Private pasture and range	20.12	3.41	23.53	7.08	---	7.08	---	7.08	1.20
Public grazing	1.20	---	1.20	.42	---	.42	---	.42	---
Hay	20.08	7.23	27.31	7.07	---	7.07	---	7.07	2.55
Silage	.92	.41	1.33	.32	---	.32	---	.32	.14
Grain and concentrates	5.68	---	5.68	2.00	---	2.00	---	2.00	---
Protein supplements	9.13	---	9.13	3.21	---	3.21	---	3.21	---
Salt and minerals	1.93	---	1.93	.70	---	.70	---	.70	---
Subtotal, feed	59.06	11.05	70.11	20.80	---	20.80	---	20.80	3.89
Veterinary and medicine	3.62	---	3.62	1.27	---	1.27	---	1.27	---
Livestock hauling	.95	---	.95	.33	---	.33	---	.33	---
Marketing	2.31	---	2.31	.82	---	.82	---	.82	---
Fuel, lube, and electricity	7.50	---	7.50	2.64	---	2.64	---	2.64	---
Machinery and building repair	9.15	---	9.15	3.22	---	3.22	---	3.22	---
Subtotal, other production items	23.53	---	23.53	8.28	---	8.28	---	8.28	---
Hired labor	7.62	---	7.62	2.68	---	2.68	---	2.68	---
Interest on operating capital	3.36	1.51	4.87	1.19	---	1.19	---	1.19	.53
General farm overhead	6.65	---	6.65	---	---	2.34	---	2.34	---
Total direct costs	100.22	12.56	112.78	32.95	---	35.29	---	35.29	4.42
Less cull-cow credit	34.56	---	34.56	12.17	---	12.17	---	12.17	---
Net direct costs	65.66	12.56	78.22	20.78	---	23.12	---	23.12	4.42
Machinery and equipment, DITI 2/	.80	5.98	6.78	---	---	.28	---	.28	2.10
Buildings and facilities, DITI 2/	1.77	11.06	12.83	---	---	.62	---	.62	3.90
Livestock, DITI 3/	---	28.77	28.77	---	---	---	---	---	10.13
Subtotal, ownership costs	2.57	45.81	48.38	---	---	.90	---	.90	16.13
Operator and family labor	---	22.84	22.84	---	---	---	8.05	---	8.05
Management	---	14.84	14.84	---	---	---	5.22	---	5.22
Land taxes	12.27	---	12.27	---	---	4.32	---	4.32	---
Total nonland costs 4/	80.50	96.05	176.55	20.78	---	28.34	13.27	28.34	33.82
Breakeven cost, excluding land, per cwt. of feeder sold				20.78		41.61		62.16	

1/ Sum of designated costs per cow divided by the hundredweight per cow of steer and heifer feeder calves and yearlings sold: All regions 2.84 cwt.; Southeast 2.55 cwt.; North Central 2.82 cwt.; Great Plains 3.08 cwt.; Southwest 2.97 cwt.; and West 2.81 cwt.
2/ Applicable depreciation, interest, taxes, and insurance. Repairs are included above. 3/ Depreciation on herd bulls only. Assumes that all brood cows are raised from heifer calves born in each operation, so the costs of raising replacements is included in the per-cow costs, and salvage values are recovered through the sale of culls. 4/ Specified cash cost less the cash cull-cow credit.

Table 2 --Costs of raising feeder cattle 1976, Southeast

Item	Costs per cow			Costs per cwt. feeder sold 1/ Supplementary enterprise short-run		Primary enterprise short-run		Primary enterprise long-run	
	Cash	Noncash	Total	Cash	Noncash	Cash	Noncash	Cash	Noncash
					Dollars				
Private pasture and range	46.86	6.47	53.33	18.37	---	18.37	---	18.37	2.54
Public grazing	---	---	---	---	---	---	---	---	---
Hay	14.13	3.04	17.17	5.55	---	5.55	---	5.55	1.19
Silage	---	---	---	---	---	---	---	---	---
Grain and concentrates	7.54	---	7.54	2.95	---	2.95	---	2.95	---
Protein supplements	5.39	---	5.39	2.12	---	2.12	---	2.12	---
Salt and minerals	2.06	---	2.06	.81	---	.81	---	.81	---
Subtotal, feed	75.98	9.51	85.49	29.80	---	29.80	---	29.80	3.73
Veterinary and medicine	3.18	---	3.18	1.25	---	1.25	---	1.25	---
Livestock hauling	.73	---	.73	.29	---	.29	---	.29	---
Marketing	2.43	---	2.43	.95	---	.95	---	.95	---
Fuel, lube, and electricity	8.04	---	8.04	3.15	---	3.15	---	3.15	---
Machinery and building repair	9.59	---	9.59	3.76	---	3.76	---	3.76	---
Subtotal, other production items	23.97	---	23.97	9.40	---	9.40	---	9.40	---
Hired labor	7.66	---	7.66	3.00	---	3.00	---	3.00	---
Interest on operating capital	4.32	1.60	5.92	1.69	---	1.69	---	1.69	.63
General farm overhead	7.51	---	7.51	---	---	2.95	---	2.95	---
Total direct costs	119.44	11.11	130.55	43.89	---	46.84	---	46.84	4.36
Less cull-cow credit	30.56	---	30.56	11.98	---	11.98	---	11.98	---
Net direct costs	88.88	11.11	99.99	31.91	---	34.86	---	34.86	4.36
Machinery and equipment, DITI 2/	1.01	7.43	8.44	---	---	.40	---	.40	2.91
Buildings and facilities, DITI 2/	1.49	10.25	11.74	---	---	.58	---	.58	4.02
Livestock, DITI 3/	---	25.29	25.29	---	---	---	---	---	9.92
Subtotal, ownership costs	2.50	42.97	45.47	---	---	.98	---	.98	16.85
Operator and family labor	---	25.29	25.29	---	---	---	9.92	---	9.92
Management	---	15.97	15.97	---	---	---	6.26	---	6.26
Land taxes	7.12	---	7.12	---	---	2.79	---	2.79	---
Total nonland costs 4/	98.50	95.34	193.84	31.91	---	38.63	16.18	38.63	37.39
Breakeven cost, excluding land, per cwt. of feeder sold				31.91		54.81		76.02	

See table 1 for footnotes.

Table 3 --Costs of raising feeder cattle 1976, North Central

Item	Costs per cow			Costs per cwt. feeder sold 1/					
				Supplementary enterprise short-run		Primary enterprise short-run		Primary enterprise long-run	
	Cash	Noncash	Total	Cash	Noncash	Cash	Noncash	Cash	Noncash
				Dollars					
Private pasture and range	15.45	6.43	21.88	5.48	---	5.48	---	5.48	2.28
Public grazing	---	---	---	---	---	---	---	---	---
Hay	16.85	9.30	26.15	5.98	---	5.98	---	5.98	3.30
Silage	---	---	---	---	---	---	---	---	---
Grain and concentrates	14.86	---	14.86	5.27	---	5.27	---	5.27	---
Protein supplements	5.04	---	5.04	1.79	---	1.79	---	1.79	---
Salt and minerals	1.98	---	1.98	.70	---	.70	---	.70	---
Subtotal, feed	54.18	15.73	69.91	19.21	---	19.21	---	19.21	5.58
Veterinary and medicine	4.20	---	4.20	1.49	---	1.49	---	1.49	---
Livestock hauling	1.00	---	1.00	.35	---	.35	---	.35	---
Marketing	2.29	---	2.29	.81	---	.81	---	.81	---
Fuel, lube, and electricity	8.54	---	8.54	3.03	---	3.03	---	3.03	---
Machinery and building repair	12.69	---	12.69	4.50	---	4.50	---	4.50	---
Subtotal, other production items	28.72	---	28.72	10.18	---	10.18	---	10.18	---
Hired labor	1.54	---	1.54	.55	---	.55	---	.55	---
Interest on operating capital	4.11	2.37	6.48	1.46	---	1.46	---	1.46	.84
General farm overhead	6.85	---	6.85	---	---	2.43	---	2.43	---
Total direct costs	95.40	18.10	113.50	31.40	---	33.83	---	33.83	6.42
Less cull-cow credit	42.98	---	42.98	15.24	---	15.24	---	15.24	---
Net direct costs	52.42	18.10	70.52	16.16	---	18.59	---	18.59	6.42
Machinery and equipment, DITI 2/	.88	6.45	7.33	---	---	.31	---	.31	2.29
Buildings and facilities, DITI 2/	2.08	14.26	16.34	---	---	.74	---	.74	5.06
Livestock, DITI 3/	---	29.12	29.12	---	---	---	---	---	10.32
Subtotal, ownership costs	2.96	49.83	52.79	---	---	1.05	---	1.05	17.67
Operator and family labor	---	24.00	24.00	---	---	---	8.51	---	8.51
Management	---	15.86	15.86	---	---	---	5.62	---	5.62
Land taxes	13.43	---	13.43	---	---	4.76	---	4.76	---
Total nonland costs 4/	68.81	107.79	176.60	16.16	---	24.40	14.13	24.40	38.22
Breakeven cost, excluding land, per cwt. of feeder sold				16.16		38.53		62.62	

See table 1 for footnotes.

Table 4--Costs of raising feeder cattle 1976, Great Plains

Item	Costs per cow			Costs per cwt. feeder sold 1/					
				Supplementary enterprise short-run		Primary enterprise short-run		Primary enterprise long-run	
	Cash	Noncash	Total	Cash	Noncash	Cash	Noncash	Cash	Noncash
	Dollars								
Private pasture and range	11.58	---	11.58	3.76	---	3.76	---	3.76	---
Public grazing	1.84	---	1.84	.60	---	.60	---	.60	---
Hay	25.39	9.68	35.07	8.24	---	8.24	---	8.24	3.14
Silage	4.90	2.19	7.09	1.59	---	1.59	---	1.59	.71
Grain and concentrates	1.93	---	1.93	.63	---	.63	---	.63	---
Protein supplements	13.21	---	13.21	4.29	---	4.29	---	4.29	---
Salt and minerals	1.98	---	1.98	.64	---	.64	---	.64	---
Subtotal, feed	60.83	11.87	72.70	19.75	---	19.75	---	19.75	3.85
Veterinary and medicine	3.61	---	3.61	1.17	---	1.17	---	1.17	---
Livestock hauling	1.13	---	1.13	.37	---	.37	---	.37	---
Marketing	1.85	---	1.85	.60	---	.60	---	.60	---
Fuel, lube, and electricity	8.49	---	8.49	2.76	---	2.76	---	2.76	---
Machinery and building repair	9.22	---	9.22	2.99	---	2.99	---	2.99	---
Subtotal, other production items	24.30	---	24.30	7.89	---	7.89	---	7.89	---
Hired labor	7.79	---	7.79	2.53	---	2.53	---	2.53	---
Interest on operating capital	1.96	.82	2.78	.64	---	.64	---	.64	.27
General farm overhead	6.72	---	6.72	---	---	2.18	---	2.18	---
Total direct costs	101.60	12.69	114.29	30.81	---	32.99	---	32.99	4.12
Less cull-cow credit	35.12	---	35.12	11.40	---	11.40	---	11.40	---
Net direct costs	66.48	12.69	79.17	19.41	---	21.59	---	21.59	4.12
Machinery and equipment, DITI 2/	.95	7.00	7.95	---	---	.31	---	.31	2.27
Buildings and facilities, DITI 2/	1.30	7.91	9.21	---	---	.42	---	.42	2.57
Livestock, DITI 3/	---	30.10	30.10	---	---	---	---	---	9.77
Subtotal, ownership costs	2.25	45.01	47.26	---	---	.73	---	.73	14.61
Operator and family labor	---	20.01	20.01	---	---	---	6.50	---	6.50
Management	---	14.49	14.49	---	---	---	4.70	---	4.70
Land taxes	10.54	---	10.54	---	---	3.42	---	3.42	---
Total nonland costs 4/	79.27	92.20	171.47	19.41	---	25.74	11.20	25.74	29.93
Breakeven cost, excluding land, per cwt. of feeder sold				19.41		36.94		55.67	

See table 1 for footnotes.

Table 5--Costs of raising feeder cattle 1976, Southwest

Item	Costs per cow			Costs per cwt. feeder sold 1/					
				Supplementary enterprise short-run		Primary enterprise short-run		Primary enterprise long-run	
	Cash	Noncash	Total	Cash	Noncash	Cash	Noncash	Cash	Noncash
	Dollars								
Private pasture and range	10.90	.54	11.44	3.67	---	3.67	---	3.67	.18
Public grazing	1.99	---	1.99	.67	---	.67	---	.67	---
Hay	19.49	.96	20.45	6.56	---	6.56	---	6.56	.32
Silage	---	---	---	---	---	---	---	---	---
Grain and concentrates	---	---	---	---	---	---	---	---	---
Protein supplements	15.76	---	15.76	5.31	---	5.31	---	5.31	---
Salt and minerals	1.96	---	1.96	.66	---	.66	---	.66	---
Subtotal, feed	50.10	1.50	51.60	16.87	---	16.87	---	16.87	.50
Veterinary and medicine	3.34	---	3.34	1.13	---	1.13	---	1.13	---
Livestock hauling	.69	---	.69	.23	---	.23	---	.23	---
Marketing	2.67	---	2.67	.90	---	.90	---	.90	---
Fuel, lube, and electricity	5.67	---	5.67	1.91	---	1.91	---	1.91	---
Machinery and building repair	7.04	---	7.04	2.37	---	2.37	---	2.37	---
Subtotal, other production items	19.41	---	19.41	6.54	---	6.54	---	6.54	---
Hired labor	13.68	---	13.68	4.60	---	4.60	---	4.60	---
Interest on operating capital	3.03	.85	3.88	1.02	---	1.02	---	1.02	.29
General farm overhead	5.40	---	5.40	---	---	1.82	---	1.82	---
Total direct costs	91.62	2.35	93.97	29.03	---	30.85	---	30.85	.79
Less cull-cow credit	28.03	---	28.03	9.43	---	9.43	---	9.43	---
Net direct costs	63.59	2.35	65.94	19.60	---	21.42	---	21.42	.79
Machinery and equipment, DITI 2/	.46	3.73	4.19	---	---	.15	---	.15	1.26
Buildings and facilities, DITI 2/	1.93	12.15	14.08	---	---	.65	---	.65	4.09
Livestock, DITI 3/	---	32.32	32.32	---	---	---	---	---	10.88
Subtotal, ownership costs	2.39	48.20	50.59	---	---	.80	---	.80	16.23
Operator and family labor	---	22.11	22.11	---	---	---	7.44	---	7.44
Management	---	13.06	13.06	---	---	---	4.40	---	4.40
Land taxes	16.10	---	16.10	---	---	5.42	---	5.42	---
Total nonland costs 4/	82.08	85.72	167.80	19.60	---	27.64	11.84	27.64	28.86
Breakeven cost, excluding land, per cwt. of feeder sold				19.60		39.48		56.50	

See table 1 for footnotes.

Table 6 --Costs of raising feeder cattle 1976, West

Item	Costs per cow			Costs per cwt. feeder sold 1/					
				Supplementary enterprise short-run		Primary enterprise short-run		Primary enterprise long-run	
	Cash	Noncash	Total	Cash	Noncash	Cash	Noncash	Cash	Noncash
					Dollars				
Private pasture and range	1.80	2.24	4.04	.64	---	.64	---	.64	.80
Public grazing	4.17	---	4.17	1.48	---	1.48	---	1.48	---
Hay	35.76	26.05	61.81	12.73	---	12.73	---	12.73	9.27
Silage	---	---	---	---	---	---	---	---	---
Grain and concentrates	---	---	---	---	---	---	---	---	---
Protein supplements	2.99	---	2.99	1.07	---	1.07	---	1.07	---
Salt and minerals	1.19	---	1.19	.42	---	.42	---	.42	---
Subtotal, feed	45.91	28.29	74.20	16.34	---	16.34	---	16.34	10.07
Veterinary and medicine	4.13	---	4.13	1.47	---	1.47	---	1.47	---
Livestock hauling	1.81	---	1.81	.64	---	.64	---	.64	---
Marketing	1.95	---	1.95	.69	---	.69	---	.69	---
Fuel, lube, and electricity	6.23	---	6.23	2.22	---	2.22	---	2.22	---
Machinery and building repair	4.21	---	4.21	1.50	---	1.50	---	1.50	---
Subtotal, other production items	18.33	---	18.33	6.52	---	6.52	---	6.52	---
Hired labor	6.23	---	6.23	2.21	---	2.21	---	2.21	---
Interest on operating capital	2.55	2.37	4.92	.91	---	.91	---	.91	.84
General farm overhead	7.13	---	7.13	---	---	2.54	---	2.54	---
Total direct costs	80.15	30.66	110.81	25.98	---	28.52	---	28.52	10.91
Less cull-cow credit	40.54	---	40.54	14.43	---	14.43	---	14.43	---
Net direct costs	39.61	30.66	70.27	11.55	---	14.09	---	14.09	10.91
Machinery and equipment, DITI 2/	.63	4.76	5.39	---	---	.23	---	.23	1.69
Buildings and facilities, DITI 2/	2.31	8.40	10.71	---	---	.82	---	.82	2.99
Livestock, DITI 3/	---	24.77	24.77	---	---	---	---	---	8.82
Subtotal, ownership costs	2.94	37.93	40.87	---	---	1.05	---	1.05	13.50
Operator and family labor	---	21.03	21.03	---	---	---	7.48	---	7.48
Management	---	14.72	14.72	---	---	---	5.24	---	5.24
Land taxes	16.57	---	16.57	---	---	5.90	---	5.90	---
Total nonland costs 4/	59.12	104.34	163.46	11.55	---	21.04	12.62	21.04	37.13
Breakeven cost, excluding land, per cwt. of feeder sold				11.55		33.66		58.17	

See table 1 for footnotes.

Supply and distribution of commercially produced meat, by months, carcass weight

Meat and period	Supply			Distribution				
	Production[6]	Beginning stocks[4]	Imports	Exports and shipments	Ending stocks[4]	Military	Civilian consumption: Total	Civilian consumption: Per person[2]
	Million pounds							*Pounds*
Beef:								
1977								
March	2,190	475	150	15	473	16	2,311	10.8
April	1,985	473	156	12	472	12	2,118	9.9
May	1,991	472	160	14	447	11	2,151	10.0
June	2,182	447	144	14	413	14	2,332	10.9
July	1,970	413	165	14	374	12	2,148	10.0
August	2,229	374	186	17	350	12	2,410	11.2
September	2,122	350	198	15	346	15	2,294	10.7
October	2,095	346	134	12	301	8	2,254	10.5
November	2,080	301	102	10	291	12	2,170	10.1
December	2,045	291	228	20	316	10	2,218	10.3
1978								
January	2,077	316	143	15	314	13	2,194	10.2
February	1,953	314	163	18	319	8	2,085	9.6
March	2,074	319	199	18	357	17	2,200	10.2
April	1,910	357	224	17	370	20	2,084	9.7
Veal:								
1977								
March	70	11	2	2	11	1	69	.3
April	59	11	2	1	13	1	57	.3
May	62	13	1	1	11	(3)	64	.3
June	66	11	1	2	12	1	63	.3
July	62	12	1	1	11	1	62	.3
August	72	11	1	1	11	1	71	.3
September	71	11	2	2	11	(3)	71	.3
October	70	11	2	1	10	(3)	72	.4
November	68	10	1	1	10	1	67	.3
December	63	10	8	1	11	(3)	69	.3
1978								
January	62	11	2	1	13	1	60	.3
February	56	13	3	(3)	13	(3)	59	.3
March	60	13	1	1	12	1	60	.2
April	50	12	2	1	10	1	52	.2
Lamb & Mutton:								
1977								
March	34	14	3	1	12	(3)	38	.2
April	32	12	3	(3)	13	(3)	34	.2
May	25	13	4	1	15	(3)	26	.1
June	29	15	2	1	14	(3)	31	.1
July	25	14	1	(3)	14	(3)	26	.1
August	29	14	1	(3)	14	(3)	30	.1
September	30	14	1	1	12	(3)	32	.2
October	29	12	(3)	1	10	(3)	30	.2
November	27	10	1	(3)	9	(3)	29	.1
December	25	9	3	(3)	10	1	26	.1
1978								
January	25	10	3	(1)	9	(3)	29	.1
February	22	9	4	(3)	9	(3)	26	.1
March	28	9	3	1	8	(3)	31	.2
April	25	8	5	(3)	9	(3)	29	.1
Pork:[5]								
1977								
March	1,257	203	44	37	225	10	1,232	5.7
April	1,119	225	42	33	265	8	1,080	5.0
May	1,044	265	39	37	270	15	1,026	4.8
June	1,021	270	42	34	228	16	1,055	4.9
July	869	228	39	29	179	8	920	4.3
August	1,074	179	35	32	145	8	1,103	5.2
September	1,130	145	32	37	158	8	1,104	5.1
October	1,151	158	27	32	166	5	11,133	5.2
November	1,241	166	17	30	209	8	1,177	5.5
December	1,108	209	50	42	186	6	1,133	5.3
1978								
January	1,050	186	42	35	174	9	1,060	4.9
February	1,013	174	42	26	174	6	1,023	4.8
March	1,179	174	50	30	218	9	1,146	5.3
April	1,093	218	46	32	278	11	1,036	4.8
Total Meat:								
1977								
March	3,551	703	199	55	721	27	3,650	17.0
April	3,195	721	203	46	763	21	3,289	15.4
May	3,122	763	204	53	743	26	3,267	15.2
June	3,298	743	189	51	667	31	3,481	16.2
July	2,926	667	206	44	578	21	3,156	14.7
August	3,404	578	223	50	520	21	3,614	16.8
September	3,353	520	233	55	527	23	3,501	16.3
October	3,345	527	163	46	487	13	3,489	16.2
November	3,416	487	121	41	519	21	3,443	16.0
December	3,241	519	289	63	523	17	3,446	16.0
1978								
January	3,214	528	190	51	510	23	3,343	15.5
February	3,044	510	212	44	515	14	3,193	14.8
March	3,341	515	253	50	595	27	3,437	15.9
April	3,078	595	277	50	667	32	3,201	14.8

[1] Excludes production from farm slaughter. [2] Derived from estimates by months of population eating out of civilian food supplies. [3] Less than 500,000 lb. [4] Beginning 1977, excludes beef and pork stocks in cooler. [5] Changed to carcass weight. See article by L.A. Duewer. [6] Totals based on unrounded data.

Selected price statistics for meat animals and meat

Item	1977 Aug.	1977 Sept.	1977 Oct.	1977 Nov.	1977 Dec.	1978 Jan.	1978 Feb.	1978 Mar.	1978 Apr.	1978 May
	Dollars per 100 pounds									
SLAUGHTER STEERS:										
Omaha:										
Choice, 900-1100 lb.	40.11	40.35	42.29	41.83	43.13	43.62	45.02	48.66	52.52	57.28
Good, 900-1100 lb.	36.24	36.24	37.89	37.93	39.34	39.81	40.70	44.30	47.70	51.96
California, Choice 900-1100 lb.	40.53	40.88	44.16	44.43	44.97	44.75	46.81	51.50	55.91	59.65
Colorado, Choice 900-1100 lb.	39.77	40.64	42.62	42.57	43.94	43.70	44.28	49.26	53.49	58.32
Texas, Choice 900-1100 lb.	40.14	40.52	42.20	42.10	43.69	43.72	44.75	49.21	53.10	58.23
COWS:										
Omaha:										
Commercial	25.97	26.72	25.25	24.67	26.00	28.62	31.64	33.78	38.18	40.28
Utility	25.38	26.12	24.89	23.80	25.02	27.59	30.34	32.44	36.94	39.21
Cutter	23.92	24.44	23.45	22.45	23.55	25.72	28.95	30.68	35.38	37.34
Canner	22.12	22.24	21.59	20.90	21.96	24.24	26.95	29.04	33.22	34.74
VEALERS:										
Choice, S. St. Paul	46.20	41.54	42.50	40.98	40.50	40.50	43.75	47.60	69.45	77.26
FEEDER STEERS:										
Kansas City:										
Choice, 400-500 lb.	45.27	46.06	44.48	42.95	43.84	46.15	51.78	57.64	61.10	68.17
Choice, 600-700 lb.	41.99	40.85	40.82	39.94	41.33	44.07	47.60	52.00	55.08	58.58
Good, 600-700 lb.	38.30	36.98	36.76	37.66	38.33	40.28	44.00	47.76	51.00	57.36
All weights and grades	39.61	39.04	40.18	38.79	39.71	42.85	46.89	51.39	53.81	59.85
Amarillo:										
Choice, 600-700 lb.	38.75	39.10	38.78	39.68	41.83	44.22	47.91	552.52	54.33	59.28
Good, 600-700 lb.	—	—	—	—	—	—	—	—	—	—
Georgia Auctions:										
Choice, 600-700 lb.	36.60	36.12	35.19	36.10	37.67	40.38	44.12	448.90	51.00	55.00
Good, 400-500 lb.	35.05	35.12	32.88	34.45	37.25	38.88	43.75	49.10	51.50	57.20
SLAUGHTER HOGS:										
Barrows and Gilts:										
Omaha:										
Nos. 1 & 2, 200-220 lb.	44.81	41.71	41.44	40.55	45.48	46.98	49.77	48.04	46.65	50.22
Nos. 1 & 2, 220-240 lb.	44.81	41.71	41.40	40.43	45.38	46.95	49.72	48.01	46.60	50.15
All weights	43.82	41.09	40.47	38.86	43.61	45.66	48.65	47.39	45.89	48.98
Sioux City	44.34	41.39	40.97	39.44	44.13	46.08	49.26	47.77	46.22	49.25
7 markets[1]	44.38	41.40	40.83	39.33	43.99	45.99	48.83	47.50	46.04	49.17
Sows:										
7 markets[1]	38.00	37.08	36.02	33.55	36.21	39.63	44.43	43.36	42.96	44.99
FEEDER PIGS:										
Nos. 1 & 2, So. Mo., 40-50 lb. (per hd.)	39.84	37.46	34.94	32.32	30.38	35.88	44.12	51.63	54.57	54.08
SLAUGHTER LAMBS:										
Lambs, Choice, San Angelo	51.46	53.75	55.69	55.06	58.75	61.44	64.88	76.69	73.12	72.85
Lambs, Choice, So. St. Paul	48.67	51.28	52.80	51.52	56.35	60.79	62.95	70.08	63.25	67.00
Ewes, Good, San Angelo	16.75	19.62	19.69	20.88	25.75	26.19	26.94	28.40	23.81	24.15
Ewes, Good, So. St. Paul	12.80	14.22	13.75	13.50	16.40	19.00	18.25	17.56	17.00	16.40
FEEDER LAMBS:										
Choice, San Angelo	50.75	54.31	55.75	63.19	68.83	67.00	76.31	80.85	73.33	75.05
Choice, So. St. Paul	48.58	50.55	52.90	55.08	60.68	64.97	65.52	66.66	62.32	62.56
FARM PRICES:										
Beef cattle:	34.50	34.70	35.10	34.30	35.50	37.20	39.90	43.80	47.30	57.30
Calves	37.10	38.00	37.20	36.80	37.50	40.80	44.50	49.10	52.90	58.30
Hogs	42.80	40.30	39.90	37.80	41.50	43.90	47.90	46.80	44.80	47.80
Sheep	12.40	13.40	13.20	14.10	14.60	16.30	17.60	19.20	19.30	18.80
Lambs	49.10	51.30	52.60	52.40	56.90	61.00	62.60	67.70	64.20	67.20
MEAT PRICES:										
Wholesale:										
Midwest Markets:[2]										
Steer beef, Choice, 600-700 lb.	62.49	63.04	65.87	65.47	68.10	68.74	71.08	74.88	81.43	88.48
Heifer beef, Choice, 500-600 lb.	60.78	61.09	63.89	63.85	66.34	66.96	69.22	73.27	80.15	85.92
Cow beef, Canner and Cutter	51.12	50.73	48.46	48.32	51.97	57.64	62.92	67.79	74.13	76.17
Pork loins, 8-14 lb.	85.21	85.52	85.60	76.95	88.70	91.60	92.63	90.04	89.29	97.70
Pork bellies, 12-14 lb.	63.96	55.04	49.15	43.79	51.32	59.37	67.14	74.58	70.61	66.97
Hams, skinned, 14-17 lb.	75.47	75.77	84.62	94.22	92.09	83.00	87.76	80.35	72.34	77.60
East Coast:										
Steer beef, Choice 600-700 lb.	66.10	66.71	69.44	69.02	71.46	72.32	74.70	78.21	84.60	92.18
Lamb, Choice and Prime, 35-45 lb.	101.82	107.06	110.90	107.37	118.33	124.19	128.86	135.72	133.11	135.97
Lamb, Choice and Prime, 55-65 lb.	101.67	106.75	110.66	103.12	115.50	119.36	124.50	130.32	123.00	131.57
West Coast:										
Steer Beef, Choice, 600-700 lb.	66.91	66.98	70.62	71.43	72.58	72.19	74.57	79.25	85.51	92.37
Retail:										
Beef, Choice	139.2	138.9	141.5	141.9	144.8	148.2	151.2	154.6	162.9	
Veal	181.9	181.5	180.5	184.9	184.5	176.5	180.3	183.0	186.0	
Pork	130.3	130.8	126.9	127.5	130.6	133.8	138.4	139.4	140.9	
Lamb	193.2	188.6	189.5	193.9	190.1	199.8	206.8	214.0	220.3	
Price Indexes (BLS, 1967=100)										
Wholesale meat	172.8	171.4	175.7	174.7	183.6	185.9	198.2	197.6	205.3	216.0
Retail meat	177.4	177.7	176.3	174.5	178.3	182.2	187.5	192.0	197.1	
Beef and veal	164.0	164.1	163.7	166.0	168.0	170.5	175.6	179.2	186.3	
Pork	196.8	197.6	194.2	193.8	191.7	198.4	204.5	209.2	212.9	
Other meats	179.7	179.9	179.0	180.0	182.3	185.3	190.0	196.2	198.9	
LIVESTOCK-FEED RATIOS, OMAHA[2]										
Beef steer-corn	24.2	24.2	23.6	20.7	21.1	21.7	22.2	22.8	23.3	24.4
Hog-corn	26.4	24.6	22.6	19.2	21.4	22.7	24.0	22.2	20.4	20.9

[1] St. Louis N.S.Y., Kansas City, Omaha, Sioux City, S. St. Joseph, S. St. Paul, and Indianapolis. [2] Bushels of No. 2 Yellow Corn equivalent in value of 100 pounds liveweight.

Selected marketings, slaughter and stock statistics for meat animals and meat

Item	Unit	1977 May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	1978 Jan.	Feb.	Mar.	Apr.
FEDERALLY INSPECTED:													
Slaughter:													
Cattle	1,000 head	3,054	3,374	3,085	3,489	3,320	3,282	3,244	3,200	3,238	3,046	3,243	2,969
Steers	1,000 head	1,488	1,683	1,481	1,636	1,477	1,422	1,416	1,438	1,500	1,450	1,553	1,410
Heifers	1,000 head	842	890	839	990	1,010	969	866	862	905	851	934	855
Cows	1,000 head	654	726	695	782	758	818	892	840	778	691	693	643
Bulls and stags	1,000 head	70	75	71	80	76	74	70	60	54	54	63	61
Calves	1,000 head	353	368	352	411	403	392	398	387	368	336	386	304
Sheep and lambs	1,000 head	474	550	468	553	568	525	477	441	425	390	487	430
Hogs	1,000 head	5,877	5,695	4,908	6,148	6,514	6,507	6,885	6,186	5,969	5,840	6,794	6,213
Percentage sows	Percent	5	6	7	6	5	5	6	6	5	6	5	4
Average liveweight per head													
Cattle	Pounds	1,038	1,031	1,023	1,021	1,021	1,020	1,026	1,033	1,041	1,037	1,033	1,032
Calves	Pounds	210	217	208	213	207	211	206	196	211	208	205	207
Sheep and lambs	Pounds	106	104	104	103	103	109	110	109	111	113	113	113
Hogs	Pounds	239	241	239	238	236	239	243	239	236	233	234	237
Average dressed weight													
Beef	Pounds	612	609	602	602	602	597	596	597	606	605	605	607
Veal	Pounds	123	126	123	125	124	126	123	116	125	122	119	119
Lamb and mutton	Pounds	52	51	51	51	51	54	55	56	56	57	57	57
Pork	Pounds	171	173	171	169	168	171	173	171	169	167	167	170
Production:													
Beef	Mil. lb.	1,864	2,049	1,854	2,092	1,993	1,956	1,929	1,908	1,956	1,838	1,956	1,797
Veal	Mil. lb.	43	47	43	51	49	49	48	45	46	41	46	36
Lamb and mutton	Mil. lb.	25	28	24	28	29	28	26	24	24	22	28	24
Pork	Mil. lb.	1,003	980	835	1,033	1,090	1,107	1,189	1,053	1,006	973	1,132	1,054
COMMERCIAL:													
Slaughter:[1]													
Cattle	1,000 head	3,300	3,628	3,307	3,750	3,572	3,556	3,542	3,470	3,468	3,268	3,467	3,180
Calves	1,000 head	419	440	420	485	475	471	474	450	425	387	439	352
Sheep and lambs	1,000 head	492	570	486	578	588	545	495	455	438	402	502	450
Hogs	1,000 head	6,134	5,957	5,121	6,410	6,762	6,771	7,198	6,528	6,240	6,090	7,068	6,459
Production:													
Beef	Mil. lb.	1,991	2,182	1,970	2,229	2,122	2,095	2,080	2,045	2,077	1,953	2,073	1,910
Veal	Mil. lb.	62	66	62	72	71	70	68	63	62	56	60	50
Lamb and mutton	Mil. lb.	25	29	25	29	30	29	27	25	25	23	28	25
Pork	Mil. lb.	1,044	1,021	869	1,074	1,130	1,151	1,241	1,108	1,050	1,013	1,179	1,093
COLD STORAGE STOCKS FIRST OF MONTH:[2]													
Beef	Mil. lb.	472	447	413	374	350	346	301	291	316	314	319	357
Veal	Mil. lb.	13	11	12	11	11	11	10	10	11	13	13	12
Lamb and mutton	Mil. lb.	13	15	14	14	14	12	10	9	10	9	9	8
Pork	Mil. lb.	265	270	228	179	145	158	166	209	186	174	174	218
Total meat and meat products[3]	Mil. lb.	823	802	723	629	569	579	532	565	567	560	574	662
FOREIGN TRADE:													
Imports: (carcass weight)													
Beef and veal	Mil. lb.	161	145	166	187	200	136	103	236	145	166	200	227
Pork	Mil. lb.	39	42	39	35	32	27	17	50	42	42	50	46
Lamb and mutton	Mil. lb.	4	2	1	1	1	([4])	1	3	3	4	3	5
Exports: (carcass weight)													
Beef and veal	Mil. lb.	7.63	8.96	9.13	10.36	8.63	9.02	8.56	11.58	10.05	13.43	12.99	13.45
Pork	Mil. lb.	26.70	24.46	21.51	23.11	27.14	26.44	28.48	25.20	23.53	14.60	19.15	21.50
Lamb and mutton	Mil. lb.	.49	.28	.21	.19	.45	.48	.39	.39	.32	.29	.55	.21
Live animal imports:													
Cattle	Number	109,891	82,838	36,451	32,183	50,438	63,641	199,276	226,361	99,989	116,515	96,058	145,015
Hogs	Number	2,772	3,881	5,368	4,519	3,929	3,382	3,090	3,042	2,282	3,851	6,386	12,181
Sheep and lambs	Number	22	23	47	979	659	5,241	1,202	180	3	1	0	1
Live animal exports:													
Cattle	Number	7,166	8,750	8,159	9,672	15,010	10,787	11,873	11,846	4,962	7,419	5,351	6,304
Hogs	Number	312	1,768	289	933	1,224	485	1,110	849	652	659	1,134	659
Sheep and lambs	Number	17,945	11,759	8,798	13,281	14,905	24,710	14,771	31,537	5,964	3,255	12,013	3,859

[1] Federally inspected and other commercial. [2] Beginning Jan. 1977 excludes beef and pork stocks in cooler. [3] Includes stocks of canned meats in cooler in addition to the meats listed. [4] Less than 500,000 lb.

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, $300

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LMS-221 JUNE 1978

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